Supreme Court, U.S.
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No.

IN THE

Supreme Court of the United States

OCTOBER TERM, 1998

EXXON CHEMICAL PATENTS, INC.,

Petitioner,

vs.

THE DOW CHEMICAL COMPANY,

Respondent.

ON PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

PETITION FOR WRIT OF CERTIORARI

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QUESTIONS PRESENTED

Respondent, Dow, commenced a civil action in a United States district court against petitioner, Exxon, seeking relief from a judgment which had been entered against Dow by an administrative agency of the United States government. The district court terminated the civil action by granting summary judgment in favor of Dow — giving Dow the relief sought in its complaint. The district court vacated the judgment entered by the administrative agency and remanded the case to the agency for further proceedings.

Petitioner, Exxon, appealed to the United States Court of Appeals for the Federal Circuit. The Federal Circuit dismissed Exxon's appeal.

The questions presented are:

1. Should this Court enter a GVR, remanding this case to the Federal Circuit for further consideration in light of *Forney v. Apfel*, __ U.S. __, 118 S. Ct. 1984, 1998 U.S. LEXIS 3886 (June 15, 1998)?

2. Should this Court issue a writ of certiorari to resolve the conflict between the Federal Circuit and the Third, Tenth and Seventh Circuits as to the appealability of a remand order from a district court to an administrative agency which order terminates the district court proceeding when, as here, the statute conferring jurisdiction on the district court does not expressly provide for appealability?

PARTIES TO THE PROCEEDING

Petitioner, Exxon Chemical Patents, Inc., and respondent, The Dow Chemical Company, are the only parties to this proceeding and to the proceeding in the court of appeals.

RULE 29.6 LISTING

Exxon Corporation is the parent of petitioner, Exxon Chemical Patents, Inc. Due to its length, the required list of non-wholly owned subsidiaries of Exxon Corporation appears at App. 41a - 55a.

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PETITION FOR WRIT OF CERTIORARI

Exxon Chemical Patents, Inc. respectfully petitions this Court for a writ of certiorari to review an order of the United States Court of Appeals for the Federal Circuit dismissing an appeal by Exxon from a final order entered by the United States District Court for the District of Delaware in favor of respondent, The Dow Chemical Company.

OPINIONS BELOW

The Federal Circuit's order dismissing Exxon's appeal (App. 1a - 5a), its order denying Exxon's motion for reconsideration (App. 37a - 38a) and its order declining Exxon's suggestion for reconsideration in banc (App. 39a - 40a) are not officially reported. The order dismissing the appeal is available electronically at 1998 U.S. App. LEXIS 17297 (Fed. Cir. July 7, 1998).

The district court's memorandum opinion (App. 6a - 27a) and order (App. 28a - 29a) terminating proceedings in that court by granting Dow summary judgment, by providing the relief Dow sought in its complaint, by vacating a judgment that had been entered against Dow in the U.S. Patent and Trademark Office Board of Patent Appeals and Interferences (the "Patent and Trademark Office"), and by remanding this case to that agency for further proceedings are not officially reported. The memorandum opinion is available electronically at 1998 U.S. Dist. LEXIS 5340 (D. Del. Mar. 24, 1998).

The Patent and Trademark Office's judgment against Dow (App. 30a - 32a) and its denial of Dow's request for reconsideration (App. 33a - 36a) are not reported.

JURISDICTION

The Federal Circuit's Order dismissing Exxon's appeal was entered July 7, 1998. The Federal Circuit denied Exxon's timely

motion for reconsideration August 13, 1998 (App. 37a - 38a). Jurisdiction in this Court is conferred by 28 U.S.C. § 1254(1) (1994).

STATUTES INVOLVED

The pertinent portions of the statutes involved are reproduced below:

35 U.S.C. § 135 (1994) Interferences

> (a) Whenever an application is made for a patent which, in the opinion of the Commissioner, would interfere with any pending application, or with any unexpired patent, an interference may be declared and the Commissioner shall give notice of such declaration to the applicants, or applicant and patentee, as the case may be. The Board of Patent Appeals and Interferences shall determine questions of priority of the inventions and may determine questions of patentability. . . .

35 U.S.C. § 146 (1994) Civil action in case of interference

> Any party to an interference dissatisfied with the decision of the Board of Patent Appeals and Interferences on the interference, may have remedy by civil action, if commenced within such time after such decision, not less than sixty days, as the Commissioner appoints or as provided in section 141 of this title . . . .

28 U.S.C. § 1338 (1994) Patents . . .

(a) The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents . . . .

28 U.S.C. § 1295 (1994) Jurisdiction of the United States Court of Appeals for the Federal Circuit

(a) The United States Court of Appeals for the Federal Circuit shall have exclusive jurisdiction — . . . (4) of an appeal from a decision of — . . . (C) a district court to which a case was directed pursuant to section 145 or 146 of title 35.

STATEMENT OF THE CASE

This case turns on the proper interpretation of this Court's decision in *Sullivan v. Finkelstein*, 496 U.S. 617 (1990) ("*Finkelstein*").

One aspect of the Federal Circuit's interpretation of *Finkelstein* is squarely contradicted by this Court's June 15 decision in *Forney v. Apfel*, __ U.S. __, 118 S. Ct. 1984 (1998). The other aspect of the Federal Circuit's interpretation of *Finkelstein* is squarely contradicted by decisions from the Third and Tenth Circuits and is contradicted in principle by a decision from the Seventh Circuit.

A. The Proceedings In The Patent And Trademark Office

This case began as an interference proceeding in the Patent and Trademark Office. 35 U.S.C. § 135(a) (1994). The purpose of such an administrative proceeding is to determine priority

of invention between competing inventors and, in some cases, to determine whether the contested invention is patentable. *Id.*

The Patent and Trademark Office did not reach the merits of the interference. It entered judgment against Dow on the basis of a procedural rule (App. 31a).

B. The Proceedings In The District Court

Dow commenced a civil action in a United States district court for the purpose of obtaining judicial review. The district court's jurisdiction was based on 35 U.S.C. § 146 (1994) and 28 U.S.C. § 1338(a) (1994). Dow's complaint did not address the merits of the interference. The complaint challenged the judgment which had been entered on procedural grounds (App. 58a, 59a). "Alternatively" (App. 20a), it challenged interlocutory orders that had preceded the entry of judgment. It asked that the judgment entered by the Patent and Trademark Office be vacated (App. 58a, 59a).

The district court granted a motion by Dow for summary judgment — giving Dow the relief sought in its complaint, vacating the Patent and Trademark Office judgment and remanding the case to that agency for further proceedings (App. 28a - 29a).

Upon entry of its final order, the district court marked its docket: "Case closed" (App. 64a).

C. The Proceedings In The Federal Circuit

Exxon appealed to the Federal Circuit. 28 U.S.C. § 1295(a)(4)(C) (1994). Dow moved to dismiss Exxon's appeal. Dow took the position that Exxon's appeal "is precluded by this Court's [the Federal Circuit's] bright-line rule that district

court orders remanding cases to administrative agencies are not final and therefore not appealable" (Dow's motion to dismiss, page 1). Exxon opposed.

The Federal Circuit agreed with Dow.

On July 7, 1998, a panel (Michel, Rader and Bryson, JJ.) granted Dow's motion to dismiss the appeal. The order of dismissal states that as a general rule remand orders from district courts to administrative agencies are not appealable. It allows an exception to this rule only when the remand order would otherwise be effectively unreviewable later. The order finds that this exception is not applicable here. It distinguishes this Court's decision in *Finkelstein* on this ground:

> We have held that when a trial court remands to an administrative agency for additional proceedings, the remand order is not appealable as a final order, "even though the order resolves an important legal issue." *Cabot Corp. v. United States*, 788 F.2d 1539, 1545 (Fed. Cir. 1986). *An exception to that rule exists when the remand order disposes of an important legal issue that would be effectively unreviewable at a later stage in the proceedings. See Sullivan v. Finkelstein*, 496 U.S. 617, 625 (1990); *Travelstead v. Derwinski*, 978 F.2d 1244, 1249 (Fed. Cir. 1992).

1998 U.S. App. LEXIS 17297, at *2 - *3 (App. 3a) (emphasis added).

The Federal Circuit's July 7 order shows no awareness of this Court's June 15 decision in *Forney v. Apfel*, __ U.S. __, 118 S. Ct. 1984 (1998). *Forney* had not been briefed by the parties.

Forney contradicts the Federal Circuit's interpretation of *Finkelstein*. *Forney* holds that there is no general rule against

appealability and that appealability of an otherwise final order does not turn on whether the order might be effectively unreviewable later:

> *Nor does the* [*Finkelstein*] *opinion's reasoning permit an inference that "finality" turns on* the order's importance, or *the availability* (*or lack of availability*) *of an avenue for appeal from the different, later, agency determination that might emerge after remand.*

Id. at __, 118 S. Ct. at 1987 (emphasis added).

The Federal Circuit also attempts to distinguish *Finkelstein* on the basis that in *Finkelstein* the "specific statute" which conferred jurisdiction on the district court also provided expressly for appealability of remand orders (App. 3a - 4a). Such an express provision is absent from the specific statutes which provided district court jurisdiction here (App. 4a). The Federal Circuit does not say whether this distinction provides an independent basis for its order of dismissal (App. 3a - 4a).

REASONS FOR GRANTING THE WRIT

This petition seeks consideration of a decision which in one respect is in conflict with a recent decision of this Court and which in another respect is in conflict with decisions of other circuits.

The petition presents questions of public importance.

A.

QUESTION 1: A GVR IS APPROPRIATE HERE BECAUSE THE FEDERAL CIRCUIT'S DECISION IS IN CONFLICT WITH A RECENT DECISION OF THIS COURT

This Court's June 15, 1998 decision in *Forney* destroys the principal basis for the Federal Circuit's order dismissing Exxon's appeal (*supra*, pp. 5 - 6).

Under this circumstance, an order granting certiorari, vacating the judgment below and remanding the case to the Federal Circuit (a "GVR") is appropriate. It would give the Federal Circuit an opportunity to consider its decision in light of *Forney* and to say whether, in its view, its order of dismissal can stand independently of its misinterpretation of *Finkelstein*. Such is the office of a GVR:

> *Where* intervening developments, or *recent developments that we have reason to believe the court below did not fully consider, reveal a reasonable probability that the decision below rests upon a premise that the lower court would reject if given the opportunity for further consideration*, and where it appears that such a redetermination may determine the ultimate outcome of the litigation, *a GVR order is*, we believe, *potentially appropriate.*

Lawrence v. Chater, 516 U.S. 163, 167 (1996) (emphasis added).

B.

QUESTION 2: A WRIT OF CERTIORARI IS APPROPRIATE HERE TO RESOLVE THE CONFLICT BETWEEN THE FEDERAL CIRCUIT'S DECISION IN THIS CASE AND DECISIONS OF THE THIRD, TENTH AND SEVENTH CIRCUITS IN ANALOGOUS CASES

In *Finkelstein*, this Court addressed the appealability of district court remand orders in the context of Social Security disability appeals under 42 U.S.C. § 405(g) (1982). The Court held that appealability turns on whether the remand order terminates the district court proceeding by disposing of the issues that have been presented in the complaint (appealable) or whether the order merely sends the case back to the agency for the purpose of making additional findings in order to put the court in a position, upon receipt of the findings, to dispose of the case (nonappealable). 496 U.S. at 624-26.

Finkelstein left open the broad question of "whether remands to administrative agencies [outside the Social Security context] are always immediately appealable." 496 U.S. at 623.

The courts of appeals in different circuits have reached different conclusions on whether *Finkelstein* may be extended beyond its specific facts and beyond the context of Social Security disability appeals.

Here, the Federal Circuit attempted to limit *Finkelstein* in two respects. The Federal Circuit limited *Finkelstein* to cases where the district court's final order would be effectively unreviewable later, after further agency proceedings. This Court rejected this limitation in *Forney* (*supra*, pp. 5 - 6). The Federal Circuit also limited *Finkelstein* to cases where the statute conferring district court jurisdiction expressly provides for

appealability of remand orders terminating district court proceedings (*supra*, p. 6). The statute which conferred such jurisdiction on the district court in *Finkelstein* (42 U.S.C. § 405(g)) has such an express provision. The statute which conferred jurisdiction on the district court here (35 U.S.C. § 146) does not.

In making this distinction, the Federal Circuit placed itself in conflict with the Third and Tenth Circuits, which have held that *Finkelstein* is not limited to Social Security disability cases or to other cases where the district court's jurisdictional statute contains an express provision regarding appealability.

The Third Circuit:

> *Acknowledging that section 1395oo (f)(1) does not contain the specific permissive language contained in section 405(g), the Secretary nonetheless contends that both judicial review provisions permit a district court, as the Finkelstein Court concluded with respect to section 405(g), to "enter a judgment 'with or without remanding the cause for a rehearing.' "* 110 S.Ct. at 2663-64 (quoting 42 U.S.C. § 405(g)) (emphasis omitted). In sum, the Secretary urges that, in determining whether appellate jurisdiction exists under *Finkelstein* in this case, it is irrelevant that section 1395oo (f), as opposed to section 405(g), governs judicial review. *We agree with the Secretary that Monongahela's reading of Finkelstein and of the controlling statutory framework is unduly narrow.*

Monongahela Valley Hosp., Inc. v. Sullivan, 945 F.2d 576, 586 (3d Cir. 1991) (emphasis added) (district court order vacating and remanding to Secretary of HHS pursuant to Medicare

reimbursement review provision and general APA provisions held final and appealable).

The Tenth Circuit: "Other circuits have relied on *Finkelstein* to support the appealability of administrative remands outside the social security disability context." *Baca-Prieto v. Guigni*, 95 F.3d 1006, 1009 (10th Cir. 1996) (district court order vacating and remanding an INS determination held final and appealable).

Chief Judge Posner of the Seventh Circuit, speaking in the context of a Social Security disability appeal, restated the law of appealability in terms that have general applicability:

> *This distinction [between different kinds of remand orders] seems esoteric but actually corresponds to normal judicial practice.* When an appellate court decides an appeal, the decision ends the case in that court even if the court orders further proceedings to be conducted in the district court. But when the appellate court is unable or unwilling to decide the appeal because of some loose end in the district court (or agency, if it is an administrative appeal), and remands the case to the lower court or the agency to have the loose end tied up, it often will retain jurisdiction so that the consideration of the appeal can resume as soon as the tidying up is completed. The prototype of a sentence six [nonappealable] remand would be a case in which relevant new evidence had come to light since the agency's decision under appeal, and the parties asked the district court to remand the case to allow the agency to consider the case further in light of the new evidence, so that when the appeal resumed the court would have the benefit of the agency's consideration of all the relevant evidence.

Richmond v. Chater, 94 F.3d 263, 268-69 (7th Cir. 1996) (emphasis added) (citations omitted).

Given the recurring nature of the question presented and the public importance of settling the law with respect to appealability, a writ of certiorari should issue to resolve the conflict between the Federal Circuit and the Third, Tenth and Seventh Circuits.

C.

THE QUESTIONS PRESENTED ARE OF PUBLIC IMPORTANCE

The issue addressed by the Federal Circuit below, and by other circuits, is not an isolated one. Thousands of civil actions are brought each year for the purpose of obtaining relief from agency determinations believed to be in error.

The Federal Circuit has significant, and sometimes exclusive, jurisdiction to review trial court determinations in cases originating in administrative agencies. *See, e.g.*, 28 U.S.C. §§ 1295 (1994) and 1296 (Supp. II 1995-97); 38 U.S.C. § 7292 (1994). So far this year, the Federal Circuit has addressed the issue of appealability of remands to administrative agencies at least seven times. *See Aimcor v. United States*, 154 F.3d 1375 (Fed. Cir. 1998); *Gregory v. West*, No. 98-7070, 1998 U.S. App. LEXIS 23859 (Fed. Cir. Sept. 8, 1998) (unpublished); *Simington v. West*, No. 98-7056, 1998 U.S. App. LEXIS 23860 (Fed. Cir. Sept. 8, 1998) (unpublished); *Cooper v. West*, No. 98-7052, 1998 U.S. App. LEXIS 21836 (Fed. Cir. Aug. 20, 1998) (unpublished); *Dow Chem. Co. v. Exxon Chem. Patents*, No. 98-1322, 1998 U.S. App. LEXIS 17297 (Fed. Cir. July 7, 1998) (unpublished) (App. 1a - 5a); *Jones v. West*, 136 F.3d 1296 (Fed. Cir. 1998), *cert. denied* 1998 U.S. LEXIS 5086 (1998);

Orbot Sys., Ltd. v. KLA Instruments, No. 97-1578, 1998 U.S. App. LEXIS 2072 (Fed. Cir. Jan. 22, 1998) (unpublished). In each of the unpublished decisions, the appeal was dismissed. These numbers, of course, do not account for the number of parties who may have been deterred from an appeal by the Federal Circuit's mechanical treatment of the issue.

By its action below, the Federal Circuit perpetuates a justice-defeating technicality and escalates its conflict with other courts of appeals to a point where the conflict should be resolved by this Court.

CONCLUSION

The decision of the Federal Circuit rests on distinctions that have been rejected either by this Court or by the Third, Tenth and Seventh Circuits. The decision of the Federal Circuit is an unnecessary obstacle to the orderly administration of justice in that court and in the courts that are subject to its appellate jurisdiction.

The obstacle should be removed. Either a GVR should be entered to enable the Federal Circuit to consider the conflict between its decision and a decision of this Court made earlier this year or a writ of certiorari should issue to resolve a conflict between the Federal Circuit and the Third, Tenth and Seventh Circuits.

The petition should be granted.

Respectfully submitted,

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APPENDIX

APPENDIX A — ORDER OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT DATED JULY 7, 1998

NOTE: Pursuant to Fed. Cir. R. 47.6, this order is not citable as precedent. It is a public order.

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

98-1322

THE DOW CHEMICAL COMPANY,

Plaintiff-Appellee,

v.

EXXON CHEMICAL PATENTS, INC.,

Defendant-Appellant.

ON MOTION

Before MICHEL, RADER, and BRYSON, *Circuit Judges*.
RADER, *Circuit Judge*.

ORDER

The Dow Chemical Company moves to dismiss Exxon Chemical Patents, Inc.'s appeal. Exxon opposes. Dow moves for leave to file a reply, with reply attached. Exxon does not oppose.

Appendix A

BACKGROUND

The United States Patent and Trademark Office, Board of Patent Appeals and Interferences (Board) declared an interference between a patent assigned to Dow and a pending application assigned to Exxon. Eventually, the Board entered judgment against Dow in the interference, applying a recently enacted revision of 37 C.F.R. § 1.662(b). Dow filed a civil action pursuant to 35 U.S.C. § 146. On March 24, 1998, the district court entered summary judgment for Dow. The district court concluded that the Board erred in terminating the interference by entry of judgment pursuant to the new version of Rule 662(b) without first giving Dow notice of its intent to apply that version of the rule. Exxon's appeal followed.

DISCUSSION

In support of dismissal, Dow argues that the district court's March 24 order is not final for purposes of appeal because it remanded the matter to the Board for further proceedings. Exxon contends that the order is a final appealable order that terminated the district court action and the remand does not undermine the finality of the order. In the alternative, Exxon contends that this court has jurisdiction to review the March 24 order under the collateral order doctrine or that this court may treat its notice of appeal as a petition for a writ of mandamus.

This court has jurisdiction "of an appeal from a decision of . . . a district court to which a case was directed pursuant to section 145 or 146 of title 35." 28 U.S.C. § 1295(a)(4)(C). Under the final judgment rule, generally speaking, we review a decision or order if it "ends the litigation on the merits and leaves nothing for the court to do but execute judgment."

Appendix A

Firestone Tire & Rubber Co. v. Risjord, 449 U.S. 368, 373 (1981).

We have held that when a trial court remands to an administrative agency for additional proceedings, the remand order is not appealable as a final order, "even though the order resolves an important legal issue." *Cabot Corp. v. United States*, 788 F.2d 1539, 1543 (Fed. Cir. 1986). An exception to that rule exists when the remand order disposes of an important legal issue that would be effectively unreviewable at a later stage in the proceedings. *See Sullivan v. Finkelstein*, 496 U.S. 617, 625 (1990); *Travelstead v. Derwinski*, 978 F.2d 1244, 1249 (Fed. Cir. 1992).

This case is distinguishable from *Finkelstein* and *Travelstead*. In those cases, a district court and the Court of Veterans Appeals, respectively, interpreted a statute governing an administrative agency, determined that the agency's practice was contrary to the statute, and remanded the case for a redetermination under the proper legal standard. Because appellate review of the new legal standards would have been effectively unobtainable by the government following remand, the appeals were allowed to proceed. That concern is not applicable here because the losing party at the Board will have the opportunity to seek review following the interference. In *Finkelstein*, by contrast, the Supreme Court stated that "should the Secretary on remand undertake the inquiry mandated by the District Court and award benefits, there would be grave doubt. . .whether he could appeal his own order." *Finkelstein*, 496 U.S. at 625.

In addition, in both *Finkelstein* and *Travelstead*, the judgment under review was unquestionably a final disposition

that terminated the action before the tribunal. *See id.* (the remand order was "a 'judgment' in the terminology of [42 U.S.C.] § 405(g)" that "terminated the civil action challenging the Secretary's final determination that respondent was not entitled to benefits, set aside that determination, and finally decided that the Secretary could not follow his own regulations in considering the disability issue"); *Travelstead*, 978 F.2d at 1248 (Court of Veterans Appeals entered a final disposition under 38 U.S.C. § 7267(b) "interpreting a statute ([38 U.S.C.] § 3713) and compelling action by the Secretary, on remand, contrary to the Secretary's prior ruling"). Here, there is no specific statute indicating that the district court's remand order is appealable.

In *Cabot*, we dismissed an appeal of a Court of International Trade order that reversed and remanded to Commerce for further investigation and redetermination concerning a countervailing duty determination. We concluded that the order was not appealable either as a final order or under the collateral order doctrine. *See Cabot*, 788 F.2d at 1543 ("This result comports with the policies underlying the finality rule and in particular avoids unnecessary piecemeal appellate review without precluding later appellate review of the legal issue or any other determination made on a complete record."). "Our *Cabot Corp.* analysis was general and uncategorical, suggesting that appeals of such orders would vitiate the important interests served by the final judgment rule." *Travelstead*, 978 F.2d at 1247.

Here, the Board entered judgment against Dow by applying the new version of Rule 662(b). The district court determined, however, that the Board should have given Dow notice of its intent to apply the new rule. The district court thus remanded

to the Board for further interference proceedings. The issues of priority and notice may be reviewed, if necessary, following remand. In sum, we are not persuaded by Exxon's argument that the March 24 order was a final appealable order. Similarly, this is not an instance in which review of an important legal issue will be effectively lost following remand. Further, Exxon has not demonstrated entitlement to its alternative request for mandamus relief.

Accordingly,

IT IS ORDERED THAT:

(1) Dow's motion to dismiss is granted.

(2) Dow's motion for leave to file a reply, with reply attached, is granted.

(3) Each side shall bear its own costs.

FOR THE COURT

JUL - 7 1998

/s/ Randall R. Rader
Circuit Judge

ISSUED AS A MANDATE: JUL - 7 1998

cc: Harry J. Roper, Esq.
Eric C. Woglom, Esq.

APPENDIX B — MEMORANDUM OPINION OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE DATED MARCH 24, 1998

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

C.A. No. 96-160-SLR

THE DOW CHEMICAL COMPANY,

Plaintiff

v.

EXXON CHEMICAL PATENTS, INC.,

Defendant.

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William J. Wade, Esquire, and Frederick L. Cottrell, Esquire, of Richards, Layton & Finger, Wilmington, Delaware, attorneys for defendant. Of Counsel: David W. Plant, Esquire, Eric C. Woglom, Esquire, and Glenn A. Ousterhout, Esquire, of Fish & Neave, New York, New York.

MEMORANDUM OPINION

Dated: March 24, 1998
Wilmington, Delaware

/s/ Sue L. Robinson
ROBINSON, District Judge

Appendix B

I. INTRODUCTION

Dow Chemical Company ("Dow") filed this suit pursuant to 35 U.S.C. § 146[1] against Exxon Chemical Patents, Inc. ("Exxon") on March 27, 1996 seeking to review a judgment entered by the Board of Patent Appeals and Interferences ("the Board") of the Patent and Trademark Office ("PTO") in an interference proceeding. (D.I. 1) Judgment in the interference was rendered *sua sponte* by the Board against Dow under 37 C.F.R. § 1.662(b) ("Rule 662(b)") on December 5, 1995. (D.I. 20, Ex. 11) Currently pending before the court are the parties' cross motions for summary judgment. (D.I. 18, 23) Oral argument on the parties' requests for summary judgment was heard on January 27, 1998. (D.I. 36) The issues have been fully briefed, and as there are no disputed issues of material fact, this is an appropriate case for summary judgment. For the reasons set forth below, the court shall deny Exxon's motion for summary judgment and grant Dow's cross motion.

II. BACKGROUND

A. PTO Interference Proceedings and Reissue Applications

An interference is an *inter partes* proceeding conducted by the Board to resolve questions of priority of an invention.

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[1] Section 146 provides in part that

> [a]ny party to an interference dissatisfied with the decision of the Board of Patent Appeals and Interferences on the interference, may have remedy by civil action . . . unless he has appealed to the United States Court of Appeals for the Federal Circuit, and such appeal is pending or has been decided.

See 35 U.S.C. § § 7(b), 135(a) (1997); 37 C.F.R. §§ 1.601(i), 1.614(a) (1997). The interfering subject matter of an interference is defined by the count. *See* 37 C.F.R. § 1.601(f). As a prerequisite to inclusion in an interference, a patent, or patent application, must have at least one claim designated as corresponding to the count of the interference, i.e., the claim defines the same patentable invention as the count. *See* 37 C.F.R. §§ 1.601(f), 1.606, 1.609(b)(2).

The PTO rules specifically permit a patentee in an interference to file a reissue application of its original patent during the course of the interference. *See* 35 U.S.C. § 251. A patentee who has filed an application for reissue, must file a preliminary motion pursuant to 37 C.F.R. § 1.633(h)[2] to add

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[2] Section 1.633(h) provides that a party may file a preliminary motion

> [w]hen a patent is involved in an interference and the patentee has on file or files an application for reissue under § 1.171, a motion to add the application for reissue to the interference. See § 1.637(a) and (h).

Section 1.637 provides in part:

> (a) A party filing a motion has the burden of proof to show that it is entitled to the relief sought in the motion. Each motion shall include a statement of the precise relief requested, a statement of the material facts in support of the motion, in numbered paragraphs, and a full statement of the reasons why the relief requested should be granted. . . .
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> * * *

(Cont'd)

the reissue application to the interference or "show good cause why the motion could not have been timely filed or would not be appropriate." 37 C.F.R. § 1.662(b). A motion submitted under § 1.633(h) must

> [s]how the patentability of all claims in, or proposed to be added to, the application for reissue which correspond to each count and apply the terms of the claims to the disclosure of the application for reissue.

(Cont'd)

(h) A preliminary motion to add an application for reissue under § 1.633(h) shall:

(1) Identify the application for reissue;

(2) Certify that a complete copy of the file of the application for reissue has been served on all opponents.

(3) Show the patentability of all claims, in or proposed to be added to, the application for reissue which correspond to each count and apply the terms of the claims to the disclosure of the application for reissue; when necessary a moving applicant for reissue shall file with the motion an amendment adding any proposed claim to the application for reissue.

(4) Be accompanied by a motion under § 1.33(f) requesting the benefit of the filing date of any earlier filed application, if benefit is desired.

37 C.F.R. § 1.637(h)(3). Under current PTO rules, if the reissue application does not include a claim that corresponds to the count, judgment may be entered against the patentee in the interference. *See* 37 C.F.R. § 1.662(b).

B. The Interference Proceeding Below

The facts in this action are undisputed. On June 14, 1994, the PTO declared Interference No. 103,404 between the Lai et al. patent, U.S. Patent No. 5,272,236 assigned to Dow ("the '236 patent") and a pending Canich patent application, Serial No. 149,268 assigned to Exxon ("the '268 patent application").[3] (D.I. 20, Ex. 1) Both the '236 patent and the '268 patent application are directed to a new class of polyethylene polymers. The count set forth by the Administrative Patent Judge ("APJ") was a word-for-word combination of claims 1 and 12 of the '236 patent. (D.I. 20, Ex. 1; D.I. 25, Ex. 1) All of the claims of the '236 patent and claims 15 and 16 of the '268 application were designated as corresponding to the count of the interference. (D.I. 20, Ex. 1)

On September 14, 1994, Dow filed an application for reissue of the '236 patent ("the reissue application"). (D.I. 20, Ex. 2) As initially filed, the reissue application canceled or amended some, but not all, of the original claims of the '236 patent that corresponded to the count of the interference. (D.I. 20, Ex. 2 at A7-104)

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[3] In the PTO proceedings, Dow's assignor was referred to as "Lai et al." or "Lai" and Exxon's assignor was referred to as "Canich." For clarity, this memorandum opinion will refer to Dow, Lai et al., and Lai as "Dow" and Exxon and Canich as "Exxon" unless the context requires otherwise.

On the same date, Dow also filed a series of preliminary motions in the interference proceeding. In preliminary motion no. 8, entitled "The Party Lai et al.'s 37 CFR 1.633(b) Motion for a Judgment That There Is No Interference-In-Fact Between the Parties Lai et al. and Canich" ("Motion 8"), Dow argued that the '268 patent application did not disclose the properties and process steps required by claims 1 and 12 of the '236 patent. (D.I. 25, Ex. 3) Dow also filed preliminary motion no. 14, entitled "The Party Lai et al.'s 37 CFR 1.633(h) Motion To Add Its Application for Reissue of Its Involved Patent to the Interference" ("Motion 14"), in which it argued that

> the reissue application should be added to the interference in order that the party Lai et al. will have an opportunity to amend its patent claim in response to the party Lai et al.'s 37 CFR 1.633(a), (b), or (g) motions.

(D.I. 20, Ex. 3) Although as part of such a motion the moving party is required to designate the claims in the reissue application that constitute interfering subject matter, Dow did not expressly designate any claims. Instead, Dow provisionally designated claims in the event the APJ denied its motion for no interference-in-fact:

> The party Lai et al. believes that none of the reissue application claims should be designated as corresponding to count 1 or proposed count 2. However, if the administrative patent judge disagrees, then the party Lai et al. designates its claims 1-3, 7-15, 21-32, 38-39, 42-43, 46-52, 55-58, and 77-80 as corresponding to the first part of

> count 1 based on its similarity to the party Lai et al.'s claim 1.

(D.I. 20, Ex. 3 at A281)

Exxon opposed Dow's Motion 14, arguing that it was "a transparent attempt to avoid the consequences of 37 C.F.R. § 1.662(b)." (D.I. 20, Ex. 4 at A289) The version of Rule 662(b) effective at that time provided that

> [i]f a patentee involved in an interference files an application for reissue during the interference and omits all claims of the patent corresponding to the counts of the interference for the purpose of avoiding the interference, judgment may be entered against the patentee. A patentee who files an application for reissue other than for the purpose of avoiding the interference shall timely file a preliminary motion under § 1.633(h), or show good cause why the motion could not have been timely filed or would not be appropriate.

Exxon requested that the APJ enter judgment against Dow pursuant to Rule 662(b) since Dow had failed to designate any reissue claim as corresponding to the count. (D.I. 20, Ex. 4 at A294-95, A319) Exxon also asserted that Dow's reason for filing the motion (so that Lai et al. "will have an opportunity to amend its patent claims in response to the party Lai et al.'s 37 CFR 1.633(a), (b) or (g) motions") did not satisfy the requirement of 37 C.F.R. § 1.637(a). (D.I. 20, Ex. 4 at A294-95)

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In response to Exxon's opposition, Dow explained in its reply that Motion 14 contained a typographical error. Dow asserted that it intended to refer to the party Canich's 37 C.F.R. § 1.633(a), (b), or (g) motions, not to Lai et al.'s motions, in its reason why the relief requested should be granted. (D.I. 25, Ex. 4 at B84) Dow contended that its

> purpose [in filing Motion 14] was to address issues of patentability raised by the party Canich, for the purpose of conducting this interference and removing issues wherever possible.

(D.I. 25, Ex. 4 at B84) Dow also asserted that it had designated claims as corresponding to the count. (D.I. 25, Ex. 4 at B83)

Between October 21, 1994 and January 27, 1995, Dow filed preliminary motion nos. 19, 23, 28, and 33, further amending the Dow reissue claims. (D.I. 20, Exs. 5, 6, 7, 8) As it did in Motion 14, Dow only provisionally designated reissue claims as corresponding to the count in these motions. In Motion 33, the last of these motions Dow filed, Dow stated:

> The party Lai et al. continues to believe that none of the claims of its reissue application should be designated as corresponding to count 1. . . . However, if the administrative patent judge denies the party Lai et al.'s motion Nos. 8 and/or 12, then the party Lai et al. designates its new claims 83-85 as corresponding to the first part of count 1 based on their similarity to the party Lai et al.'s claims 1 and 38.

(D.I. 20, Ex. 8 at A408) Following these amendments to the reissue application, Dow had either canceled or amended all of

the original claims in the '236 patent. (D.I. 20, Ex. 10 at A456 n. 1)

On March 15, 1995, the APJ issued his Decision on Preliminary Motions. (D.I. 20, Ex. 9) The APJ denied Dow's Motion 8, finding that an interference-in-fact existed. (D.I. 20, Ex. 9 at A425-28) In addition, the APJ dismissed Motion 14 for failure to comply with the provisions of 37 C.F.R. § 1.637(a) and (h)(3). (D.I. 20, Ex. 9 at A442-44) The APJ also dismissed as moot Motions 19, 23, 28, and 33 in view of his denial of Motion 14. (D.I. 20, Ex. 9 at A444) Specifically, the APJ stated that

> the party Lai is seeking to amend its patent claims by filing a reissue application and at the same time seek an advisory opinion from the APJ to the effect that its reissue claims are directed to a separate patentable invention from his original patent claims and Canich's application claims. If this is Lai's purpose, it is improper. If the party Lai is of the view that its reissue claims are directed to a separate patentable invention, the party Lai may file a paper under 37 C.F.R. § 1.662(b) stating that the reissue application cancels the claims involved in this interference (amending a patent claim is tantamount to canceling it) for the purpose of avoiding the interference, judgment as to the count of the interference would be entered against Lai, the interference would be terminated and the primary examiner would decide whether the reissue claims are directed to a separate patentable invention.
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> In any event, the motion does not comply with 37 C.F.R. § 1.637(h)(3). . . . None of the claims

> correspond to the count of this interference. . . . Lai, in the first instance, must take a position as to whether the claims correspond or do not correspond to the count. As noted above, it is improper to seek an advisory opinion from the APJ as to whether the reissue claims define the same patentable invention as the count of the interference. Since Lai believes that the claims should be designated as not corresponding to the count, the APJ declines to take any position on the matter.

(D.I. 20, Ex. 9 at A442-43) The APJ rejected Exxon's attempt to have the interference terminated under Rule 662(b). Although both Dow and Exxon filed requests for reconsideration of the APJ's Decision on Preliminary Motions, neither party requested review of the APJ's decision on Dow's Motions 8 and 14.

Following the APJ's ruling regarding the preliminary motions, the interference progressed into the testimony phase of the proceeding. Dow's testimony period, which was the first, began on April 1, 1995 and concluded on October 13, 1995. (D.I. 20, Ex. 9 at A451)

On March 27, 1995, Dow interviewed *ex parte* reissue Examiner David Wu. During the interview, Dow stated that "the claimed substantially linear ethylene copolymer of instant reissue application [is] distinguish[able] from polymers of prior art and the count involved in the Interference No. 103,404." (D.I. 20, Ex. 2 at A179-80)

On April 21, 1995, the new version of Rule 662(b) as well as other amended interference rules became effective. (D.I. 25, Ex. 18 at B235) The new version of Rule 662(b) provides:

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> If a patentee involved in an interference files an application for reissue during the interference and the reissue application does not include a claim that corresponds to a count, judgment may be entered against the patentee. A patentee who files an application for reissue which includes a claim that corresponds to a count shall, in addition to complying with the provisions of § 1.660(b), timely file a preliminary motion under § 1.633(h) or show good cause why the motion could not have been timely filed or would not be appropriate.

37 C.F.R. § 1.662(b) (1997). According to the PTO's Notice of Final Rulemaking that accompanied the new version of Rule 662(b), the first sentence of the rule was revised "in order to make it clear that judgment may not be entered where the reissue application includes any claim that corresponds to a count, including a new or amended claim that should be designated as corresponding to the count." (D.I. 25, Ex. 18 at B260) Likewise, the phrase "an application for reissue which includes a claim that corresponds to a count" is to be interpreted as meaning "corresponds to the count or should be designated to correspond to the count." (D.I. 25, Ex. 18 at B260) The PTO's Notice of Final Rulemaking also stated that

> [t]he provision of the rules, as amended, will be applied in pending interferences to the extent reasonably possible. However, it is the desire of [the] PTO to avoid applying the rules, as adopted, to pending interferences where substantial prejudice would result. . . . Tne question of whether substantial prejudice will result in a particular case

> is a matter within the discretion of the administrative patent judge or the Board.

(D.I. 25, Ex. 18 at B235)

On May 1, 1995, the APJ entered his decision on Dow's and Exxon's requests for reconsideration of his March 15 Decision on Preliminary Motions. (D.I. 25, Tab 6) In his decision, the APJ did not indicate expressly that the new version of the rules regarding interference actions would apply. However, in deciding the parties' requests for reconsideration on his own, without other members of the Board, the APJ acted in accordance with amended 37 C.F.R. § 1.640(c).

On June 27, 1995, Exxon filed a petition pursuant to 37 C.F.R. § 1.182 and a protest under 37 C.F.R. § 1.291(a) to the Dow reissue application. (D.I. 20, Ex. 2 at A183-235) Exxon's purpose in filing the protest was to bring to Examiner Wu's attention the "arguments and evidence submitted, in the interference which bear materially on the patentability of the reissue claims now under consideration." (D.I. 20, Ex. 2 at A184) On July 27, 1995, Exxon's petition was dismissed. (D.I. 20, Ex. 2 at A240-41) That same day, Robert J. Spar, Lead Legal Advisor, Special Program Law Office, Office of the Deputy Assistant Commissioner for Patent Policy and Projects, issued a memorandum to Examiner Wu suggesting that Wu contact the APJ responsible for the interference to see if the reissue application should be added to the interference. (D.I. 20, Ex. 2 at A242)

On August 24, 1995, Examiner Wu provisionally rejected the reissue claims as anticipated by or, in the alternative, obvious over count 1 of the interference. (D.I. 20, Ex. 2 at A253)

Wu suspended prosecution of the reissue application pending final determination of priority in the interference. (D.I. 20, Ex. 2 at A254-55)

On October 30, 1995, a teleconference with the APJ and counsel for Dow and Exxon was held. (D.I. 20, Ex. 10) During the conference call, the APJ inquired as to the status of the reissue application. According to the Interlocutory Order Following Conference Call, Mr. Gholz, lead attorney for Dow, informed the APJ that it was his

> position that the reissue claims, which are different from the patent claims involved in this interference, are both patentable and patentably distinct from the subject matter of this interference.

(D.I. 20, Ex. 10 at A456 (footnote omitted)). The APJ required Dow to provide him with monthly updates on the status of the reissue application. (D.I. 20, Ex. 10 at A456) At no time during the teleconference did the APJ mention Rule 662(b) or call upon Dow to make the election required by the rule.

On December 5, 1995, a panel of the Board comprising the APJ and two other members of the PTO Board, *sua sponte*, entered judgment against Dow on the basis of 37 C.F.R. § 1.662(b). (D.I. 20, Ex. 11) Specifically, the Board stated:

> Lai et al., the junior party, have filed an application for reissue which has canceled or amended every patent claim corresponding to the count. It is the position of counsel for Lai et al. during the telephone conference call of October 30, 1995 . . . that the reissue application does not include

> a claim that corresponds to the count of this interference, i.e., the reissue claims are patentably distinct from the Lai et al. patent claims.
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> § 1.662(b) of 37 CFR, amended in the Notice of Final Rulemaking, 1173 O.G. 36, dated March 3, 1995, and effective as of April 21, 1995, reads, "If a patentee involved in an interference files an application for reissue during the interference and the reissue application does not include a claim that corresponds to a count, judgment may be entered against the patentee." We perceive of no reason for this interference to continue on patent claims which are [no] longer asserted by the party Lai et al.

(D.I. 20, Ex. 11 at A460)

Dow subsequently requested reconsideration of the Board's December 5 decision, which request was opposed by Exxon. (D.I. 20, Exs. 12, 13) Dow argued that the Board had misstated and mischaracterized Mr. Gholz's comment and had misapplied the new version of Rule 662(b), thereby subjecting Dow to substantial prejudice. (D.I. 20, Ex. 12 at A474-80, A489) On January 11, 1995, the Board rejected Dow's request for reconsideration, adopting Exxon's opposition brief as its opinion. (D.I. 20, Ex. 12 at A530) The court went on to add that

> [t]he clear import of Mr. Gholz's statement is that the Lai et al. reissue claims are patentably distinct from the original Lai et al. patent claims and the Canich claims corresponding to the count of this interference. . . . The Lai et al. reissue application

> omits all the claims of its involved patent corresponding to the count of the interference and contains new claims which counsel for the party Lai et al. contends are patentably distinct from the subject matter of this interference. To continue this proceeding under this circumstance would not further the public interest in expeditiously resolving interferences.

(D.I. 20, Ex. 12 at A530-31)

Dow filed a second request for reconsideration on March 1, 1996. (D.I. 25, Ex. 10) The Board returned this request on March 6, 1996 as not authorized by the rules. (D.I. 20., Ex. 15)

On March 2, 1996, Dow filed this action pursuant to 35 U.S.C. § 146. Plaintiff Dow seeks an order vacating the December 15, 1995 judgment of the Board and remanding the case to the Board. (D.I. 23) Alternatively, Dow requests that this court exercise its jurisdiction to decide the dispositive issue of whether there is an interference-in-fact between the '236 patent and the '268 patent application. (D.I. 23) Defendant Exxon seeks an order dismissing Dow's complaint with prejudice. (D.I. 18)

III. STANDARD OF REVIEW

The motions for summary judgment in this case are subject to the standards governing summary judgment motions generally. Under the Federal Rules of Civil Procedure, summary judgment should be granted only if a court concludes that "there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law." Fed.R.Civ.P.

56(c). The moving party bears the burden of proving that no genuine issue of material fact is in dispute. *See Matsushita Elec. Indus., Co., Ltd. v. Zenith Radio Corp.*, 475 U.S. 574, 586 n.10 (1986). Once the movant has carried its initial burden, the nonmoving party "must come forward with 'specific facts showing that there is a genuine issue for trial.' " *Id.* at 587 (emphasis in original) (quoting Fed.R.Civ.P. 56(e)). "Facts that could alter the outcome are 'material,' and disputes are 'genuine' if evidence exists from which a rational person could conclude that the position of the person with the burden of proof on the disputed issue is correct." *Horowitz v. Federal Kemper Life Assurance Co.*, 57 F.3d 300, 302 n.1 (3d Cir. 1995) (citations omitted). If the nonmoving party fails to make a sufficient showing on an essential element of his case with respect to which he has the burden of proof, the moving party is entitled to judgment as a matter of law. *See Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1986). The mere existence of some evidence in support of the nonmoving party will not be sufficient for denial of a motion for summary judgment; there must be enough evidence to enable a jury reasonably to find for the nonmoving party on that factual issue. *See Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 249 (1986). This court, however, must "view the underlying facts and all reasonable inferences therefrom in the light most favorable to the party opposing the motion." *Pennsylvania Coal Ass'n v. Babbitt*, 63 F.3d 231, 236 (3d Cir. 1995) (citation omitted).

An action under § 146, which is essentially a suit to set aside the decision of an administrative agency, is a hybrid proceeding having characteristics of both an appeal and a trial *de novo*. *See Case v. CPC Int'l, Inc.*, 730 F.2d 745, 752 (Fed Cir. 1984). As such, the court reviews the Board's factual findings that support its legal conclusions under a clearly

erroneous standard but applies a *de novo* standard in reviewing the Board's legal conclusions themselves. *See In re Lueders*, 111 F.3d 1569, 1571-72 (Fed. Cir. 1997); *Holmwood v. Sugavanam*, 948 F.2d 1236, 1238 (Fed. Cir. 1991); *Allied-Signal, Inc. v. Allegheny Ludlum Corp.*, 29 U.S.P.Q.2d 1039, 1042-43 (D. Conn. 1993). Unlike a direct appeal to the Federal Circuit, where review is largely limited to the record before the Board, § 146 has been interpreted as "authoriz[ing] the district court to accept all proffered testimony on issues raised by the parties during the proceedings below or by the [B]oard's decision." *Case*, 730 F.2d at 752. Thus, new evidence is permitted if it pertains to an issue raised by the parties or the Board during the interference proceeding. *See id.* "If the new evidence raises factual disputes not considered by the Board, the court must resolve those disputes de novo." *Allied Signal, Inc.*, 29 U.S.P.Q.2d at 1042.

IV. DISCUSSION

The issue before the court is whether the Board erred in *sua sponte* terminating the interference with entry of judgment against Dow under the new version of Rule 662(b) without first providing notice. The Federal Circuit analyzed an analogous situation in *Schulze v. Green*, __ F.3d __, 45 U.S.P.Q.2d 1770, No. 97-1219, 1998 WL 57221 (Fed. Cir. Feb. 13, 1998). In that case, appellants filed a motion pursuant to 37 C.F.R. § 1.634[4]

[4] Section 1.634 provides that

> [a] party may file a motion to (a) amend its application involved in an interference to correct inventorship as provided by § 1.48 or (b) correct inventorship of its patent involved in an interference as provided in § 1.324. See § 1.637(a).

to correct the inventorship of their patent application which was opposed by the patentee as failing to comply with the filing requirements of 37 C.F.R. §§ 1.48[5] and 1.639. *See Schulze*, 1998 WL 57221, at *1. The APJ dismissed appellants' motion without prejudice for failure to comply with the filing requirements of 37 C.F.R. § 1.48 and granted limited testimony on the issue of appellants' inventorship. *See id.* In dismissing the motion the APJ stated that " '[t]he parties are reminded that a motion under 37 C.F.R. § 1.634, since it is not a preliminary motion, can be filed or refiled at any appropriate time in an interference.' " *Id.* (quoting *Green v. Schulze*, slip op. at 5 (Feb. 14, 1995)). Following dismissal of the motion to correct, the patentee admitted he could not prevail on priority, and the APJ issued an order to show cause why judgment should not be entered

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[5] As of the filing of appellants' motion, § 1.48(a) required;

1. Diligence

2. A statement of facts verified by the original named inventors establishing when and how the error occurred without deceptive intent;

3. An oath or declaration by each actual inventor as required by § 1.63;

4. The fee set forth in § 1.17(h); and

5. The written consent of the assignee.

Schulze, 1998 WL 57221, at *1 n.2 (citing 37 C.F.R. § 1.48 (1997)). Under the version of the C.F.R. § 1.48 in effect until December 1, 1997, an application to correct inventorship of an application had to be made diligently. *See id.* at *2 n.3. The diligence requirement was removed as of December 1, 1997. *See id.*

against the patentee and vacated the order granting limited testimony on the issue of appellants' inventorship. *See id.* at *2. Subsequent to the order to show cause, the appellants indicated their intent to wait until after judgment in the interference and a return to *ex parte* examination to refile their motion to correct inventorship. *See id.* Thereafter, the patentee filed a motion for judgment that subject matter corresponding to the count was unpatentable to appellants under 35 U.S.C. § 102(f) for failure to recite the correct inventorship in the application. The APJ deferred decision on the patentee's motion for final judgment until the Final Hearing. *See id.* At the Final Hearing, the Board entered judgment against appellants for unpatentability pursuant to 35 U.S.C. § 102(f) for failure diligently to correct inventorship pursuant to 37 C.F.R. §§ 1.48 and 1.634. *See id.*

On appeal, the Federal Circuit held that the Board acted improperly in terminating the interference because "clear" notice that refiling was necessary to avoid adverse judgment had not be given. *See id.* at *1, *6. The Federal Circuit stated that the APJ was correct in his determination that appellants' motion was defective under § 1.48 and, therefore, could not support adjudication of the inventorship issue during the interference. *See id.* at *4. Nevertheless, the Court found that the inventorship issue, being fairly raised and capable of being fully presented during the interference, was required to be resolved by the Board. *See id.* Despite the fact that appellants should have realized that they had to litigate the inventorship issue *inter partes* or suffer an adverse judgment, the Federal Circuit concluded that appellants may not have understood such was required because of the APJ's failure to clearly state that appellants were obligated under the regulations to correct inventorship *inter partes*. According to the Federal Circuit, the APJ's

> order vacating the discovery order, in combination with his imprecise language that Appellants' motion to correct inventorship 'can be filed or refiled at any appropriate time in an interference,' could have led Appellants to believe that the inventorship could also be litigated later, at their election. Appellants' faulty belief was furthered when Appellants stated their intention to refile only upon resumption of ex parte examination, and neither the APJ nor the Board contradicted them.

Id. at *6. The Court went on to state that,

> [a]lthough the [patentee's] motion for judgment by itself would have put Appellants on sufficient notice, the silence by the APJ and the Board in the face of Appellants' stated intention to refile ex parte and the unclear statement of the APJ as to timing negated the otherwise adequate notice of the [patentee's] motion.

Id. According to the Court, appellants were "entitled to clear notice that they had to make the correction of inventorship in the interference and to a reasonable opportunity to do so before final judgment in the interference could be entered against them." *Id.* at *1. The Court vacated the final judgment of the Board entered against appellants based on their failure to refile their motion to correct the inventorship of the application and remanded the case to the Board with instructions to set a fixed period of time for appellants to reform and refile their motion. *See id.* at * 6.

Similarly, in the present case, Dow should have realized that in order to continue in the interference proceeding, it was

required to designate the claims, if any, in the reissue application that constituted interfering subject matter. Dow should have known that it had to comply with the requirements of 37 C.F.R. §§ 1.633(h) and 1.637(h) in filing a preliminary motion to add the reissue application to the interference. The APJ in his Decision on Preliminary Motions put Dow on notice that it had to take a position as to whether the claims of the reissue application corresponded to the count. However, at no point in the record did the APJ direct Dow to designate expressly reissue claims as corresponding to the count or suffer adverse judgment. Instead, the APJ indicated that, in accordance with the old version of Rule 662(b), the interference would be terminated only if Dow filed a paper stating that Dow had filed the reissue application "for the purpose of avoiding the interference." Dow never filed such a paper nor did it ever indicate that its purpose in filing the reissue application was to avoid the interference. Rather, Dow's stated reason for filing the reissue application was to address issues of patentability "for purposes of conducting this interference." (D.I. 25, Ex. 4 at B84)

Despite Dow's stated opinion during the telephone conference on October 30, 1995 that the reissue claims were patentably distinct from the subject matter of the interference, the APJ never called upon Dow to make the election required by Rule 662(b) nor did he indicate that Dow's failure to do so would result in termination of the interference pursuant to the new version of Rule 662(b). Instead, the APJ set further scheduling dates in the interference proceeding. The APJ's actions could have led Dow to believe that for the moment it could continue in the interference proceeding without expressly designating claims in the reissue application as corresponding to the count. Therefore, Dow was never given adequate notice

that it had to make the election required by Rule 662(b) or suffer an adverse judgment.

Based upon the Federal Circuit's decision in *Schulze*, Dow was entitled to clear notice that it had to make the election required by Rule 662(b) and to a reasonable opportunity to do so before-final judgment in the interference could be entered against it. *See Schulze*, 1998 WL 57221, at *1. Because such notice was not given, the court concludes that the Board acted improperly in rendering judgment against Dow based solely on its failure to comply with Rule 662(b).[6]

V. CONCLUSION

For the foregoing reasons, the court shall deny Exxon's motion for summary judgment and grant Dow's motion for summary judgment. The court finds that the Board erred in entering judgment against Dow without first providing adequate notice that Dow had to make the election required by Rule 662(b) or suffer adverse judgment. Therefore, the final judgment of the Board entered against Dow is vacated and the case is remanded with instructions to the Board to set a fixed period of time for Dow to comply with Rule 662(b).[7] An appropriate order shall issue.

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[6] Because the court's decision is based upon the APJ's failure to provide clear notice, the court need not address whether the Board's application of the new version of Rule 662(b) in the interference proceeding resulted in substantial prejudice to Dow.

[7] The court concludes that this case should be remanded; therefore, it is not necessary for the court to address whether it has subject matter jurisdiction to review the APJ's rulings in his Decision on Preliminary Motions.

APPENDIX C — ORDER OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE DATED MARCH 24, 1998

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

C.A. No. 96-160-SLR

THE DOW CHEMICAL COMPANY,

Plaintiff,

v.

EXXON CHEMICAL PATENTS, INC.,

Defendant.

ORDER

At Wilmington this 24th day of March, 1998 consistent with the memorandum opinion issued this same day;

IT IS ORDERED that:

1. Plaintiff Dow Chemical Company's motion for summary judgment is granted. (D.I.23)

2. Defendant Exxon Chemical Patents, Inc. motion for summary judgment is denied. (D.I.18)

3. The interference judgment entered against Dow Chemical Company is vacated and the case is remanded for

the Board of Patent Appeals and Interferences to set a fixed period of time for Dow Chemical Company to comply with the requirements of 37 C.F.R. § 1.662(b).

/s/ Sue L. Robinson
United States District Judge

APPENDIX D — JUDGMENT OF THE BOARD OF PATENT APPEALS AND INTERFERENCES DATED DECEMBER 5, 1995

THIS OPINION WAS NOT WRITTEN FOR PUBLICATION

The opinion in support of the decision being entered today (1) was not written for publication in a law journal and (2) is not binding precedent of the Board.

Paper No. 259

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

SHIH-YAW LAI, JOHN R. WILSON, GEORGE W. KNIGHT, JAMES C. STEVENS and PAK-WING STEVE CHUM

Junior Party[1]

v.

JO ANN M. CANICH

Senior Party[2]

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[1] Patent No. 5,272,236, granted December 21, 1993, based on application 07/776,130, filed October 15, 1991. No assignee of record.

[2] Application 08/149,268, filed November 8, 1993. Accorded the benefit of Application 07,844,813, filed March 2, 1992, application 07,581,841, filed September 13, 1990, now Patent No. 5,096,867, granted March 17, 1992, application 07/533,245, filed June 4, 1990, now Patent No. 5,055,438, granted October 8, 1991. No assignee of record.

Appendix D

Interference No. 103,404

JUDGMENT

Before URYNOWICZ, SOFOCLEOUS, and DOWNEY, *Administrative Patent Judges.*

SOFOCLEOUS, *Administrative Patent Judge.*

Lai et al., the junior party, have filed an application for reissue which has canceled or amended every patent claim corresponding to the count. It is the position of counsel for Lai et al. during the telephone conference call of October 30, 1995 (see the Interlocutory Order following the conference call (Paper No. 251), dated November 1, 1995) that the reissue application does not include a claim that corresponds to the count of this interference, i.e., the reissue claims are patentably distinct from the Lai et al. patent claims.

§ 1.662(b) of 37 CFR, amended in the Notice of Final Rulemaking, 1173 O.G. 36, dated March 3, 1995, and effective as of April 21, 1995, reads, "If a patentee involved in an interference files an application for reissue during the interference and the reissue application does not include a claim that corresponds to a count, judgment may be entered against the patentee." We perceive of no reason for this interference to continue on patent claims which are longer asserted by the party Lai et al.

Accordingly, pursuant to 37 CFR 1.662(b) judgment as to the subject matter of the count in issue is entered against Shih-Yaw Lai, John R. Wilson, George W. Knight, James C. Stevens and Pak-Wing Steve Chum. Lai et al., the junior party, are not

entitled to a patent containing claims 1 to 38 corresponding to the count.

/s/ STANLEY M. URYNOWICZ, JR. Administrative Patent Judge	)
/s/ MICHAEL SOFOCLEOUS Administrative Patent Judge	) BOARD OF PATENT) APPEALS AND) INTERFERENCES
/s/ MARY F. DOWNEY Administrative Patent Judge	)

APPENDIX E — DECISION OF THE BOARD OF PATENT APPEALS AND INTERFERENCES ON REQUEST FOR RECONSIDERATION DATED FEBRUARY 1, 1996

THIS OPINION WAS NOT WRITTEN FOR PUBLICATION

The opinion in support of the decision being entered today (1) was not written for publication in a law journal and (2) is not binding precedent of the Board.

Paper No. 265

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

SHIH-YAW LAI, JOHN R. WILSON, GEORGE W. KNIGHT, JAMES C. STEVENS and PAK-WING STEVE CHUM

Junior Party[1]

v.

JO ANN M. CANICH

Senior Party[2]

---

[1] Patent No. 5,272,236, granted December 21, 1993, based on application 07/776,130, filed October 15, 1991. No assignee of record.

[2] Application 08/149,268, filed November 8, 1993. Accorded the benefit of Application 07,844,813, filed March 2, 1992, application 07,581,841, filed September 13, 1990, now Patent No. 5,096,867, granted March 17, 1992, application 07/533,245, filed June 4, 1990, now Patent No. 5,055,438, granted October 8, 1991. No assignee of record.

Appendix E

Interference No. 103,404

Before URYNOWICZ, SOFOCLEOUS, and DOWNEY, *Administrative Patent Judges*.

SOFOCLEOUS, *Administrative Patent Judge*.

REQUEST FOR RECONSIDERATION

On January 11, 1995, the party Lai et al. filed a request for reconsideration (Paper No. 262) of our decision of December 5, 1995. The party Canich stands opposed (Paper No. 263).

The request for reconsideration was filed pursuant to 37 C.F.R. § 1.658(b), which requires that a request shall specify with particularity the points believed to have been misapprehended or overlooked in rendering the decision. After having reviewed the request in light of the opposition, we agree with the opposition that we did not misapprehend or overlook any matter in issuing judgment against the party Lai et al. and adopt in its entirety the opposition as our opinion on reconsideration. We add the following for emphasis.

During the telephone conference call of October 30, 1995, it was the position of Mr. Charles L. Gholz that the Lai et al. reissue claims "are patentably distinct from the subject matter of this interference." At page 20 thereof, the request urges that we misconstrued the statement made by Mr. Gholz to mean that "all the [Lai et al.] reissue claims are patentable over claims 1-38 of the '236 patent" and that Mr. Gholz "did not intend to convey that impression".

We do not agree. The clear import of Mr. Gholz's statement is that the Lai et al. reissue claims are patentably distinct from the original Lai et al. patent claims and the Canich claims corresponding to the count of this interference, since the subject matter of an interference includes the count and the parties' claims corresponding thereto. 37 CFR 1.601(f).

Nonetheless, we have carefully reviewed our decision and are of the view that we did not abuse our discretion. Pursuant to 37 CFR 1.662(b), "[i]f a patentee involved in an interference files an application for reissue during the interference and the reissue does not include a claim that corresponds to a count, judgment *may* be issued against the patentee." [Emphasis added.] The Lai et al. reissue application omits all the claims of its involved patent corresponding to the count of the interference and contains new claims which counsel for the party Lai et al. contends are patentably distinct from the subject matter of this interference. To continue this proceeding under this circumstance would not further the public interest in expeditiously resolving interferences. *Pritchard v. Loughlin*, 361 F.2d 483, 149 USPQ 841 (CCPA 1966). Moreover, the continuation of this interference would be unduly burdensome and prejudicial to the party Canich[3] who must present its own case-in-chief and rebut that of the party Lai et al.

Pursuant to 35 U.S.C. 135(a), the Board of Patent Appeals and Interferences "shall determine questions of priority of the

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[3] At the time judgment was entered, the party Lai et al. had completed its testimony and filed its record. The party Canich had requested a period for testimony-in-chief and rebuttal testimony. This interference contains a voluminous record (18 interference volumes containing some 260 separately numbered papers and the 89 volume Lai et al. record containing over 9000 pages of transcript filling nine banker's boxes.

inventions and *may* determine questions of patentability." [Emphasis added.] Thus, it is discretionary with us as to whether we will resolve a question of patentability that arises during an interference proceeding. *Perkins* v. *Kwon* 886 F.2d 325, 12 USPQ2d 1308 (Fed Cir. 1989). Admittedly, the object of an interference is to resolve all controversies as to all *interfering subject matter* defined by the count, but the Lai et al. reissue claims[4] are not a part of the interfering subject matter since they have not been designated as corresponding to the count of this interference. These claims, according to the party Lai et al., constitute patentably distinct subject matter. Consequently, the determination of the separate patentability of these claims is not a matter before us, but rather is a matter to be decided by the primary examiner during the *ex parte* prosecution of the party Lai et al.'s reissue application.

For the foregoing reasons, the request for reconsideration is denied.

RECONSIDERATION DENIED

/s/ STANLEY M. URYNOWICZ, JR.)	
Administrative Patent Judge)	
)	
/s/ MICHAEL SOFOCLEOUS)	BOARD OF PATENT
Administrative Patent Judge)	APPEALS AND
)	INTERFERENCES
/s/ MARY F. DOWNEY)	
Administrative Patent Judge)	

[4] The party Lai et al.'s preliminary motion to add its reissue application to this interference was dismissed as failing to comply with the provisions of 37 CFR § 1.637(a) and (h)(3). See the Decision on Preliminary Motions (Paper No. 196, dated March 15, 1995), pages 26 to 28.

APPENDIX F — ORDER OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT DENYING MOTION FOR RECONSIDERATION DATED AUGUST 13, 1998

NOTE: Pursuant to Fed. Cir. R. 47.6 this order is not citable as precedent. It is a public order.

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

98-1322

THE DOW CHEMICAL COMPANY,

Plaintiff-Appellee,

v.

EXXON CHEMICAL PATENTS, INC.,

Defendant-Appellant.

ON MOTION

Before MICHEL, RADER, and BRYSON, *Circuit Judges*.
RADER, *Circuit Judge*.

ORDER

Exxon Chemical Patents, Inc. moves for reconsideration of the court's July 7, 1998 order dismissing appeal no. 98-1322.

Upon consideration thereof,

Appendix F

IT IS ORDERED THAT:

(1) Exxon's motion for reconsideration is denied.

(2) Exxon's suggestion for reconsideration in banc shall be transmitted to the circuit judges who are in regular active service.

FOR THE COURT,

AUG 13 1998
Date

/s/ Randall R. Rader
Circuit Judge

APPENDIX G — ORDER OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT DECLINING SUGGESTION FOR RECONSIDERATION IN BANC DATED AUGUST 25, 1998

NOTE: Pursuant to Fed. Cir. R. 47.6 this order is not citable as precedent. It is a public order.

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

98-1322

THE DOW CHEMICAL COMPANY,

Plaintiff-Appellee,

v.

EXXON CHEMICAL PATENTS, INC.,

Defendant-Appellant.

ORDER

Exxon Chemical Patents, Inc.'s suggestion for reconsideration in banc was referred to the judges in regular active service pursuant to this court's order dated August 13, 1998. No judge having asked for a poll whether to reconsider the appeal in banc,

Upon consideration thereof,

IT IS ORDERED THAT:

Appendix G

(1) Exxon's suggestion for reconsideration in banc is declined.

(2) The mandate of the court will issue on September 1, 1998.

Circuit Judge Schall and Circuit Judge Gajarsa did not participate in the vote.

For the court,

/s/ Jan Horbaly
Clerk

August 25, 1998

APPENDIX H — RULE 29.6 LISTING

Exxon Corporation's subsidiaries, other than wholly owned subsidiaries, are:

165550 Canada Limited
172746 Canada Inc.
172965 Canada Limited
AAI Assets, Inc.
Abu Dhabi Petroleum Company Limited
Acquifund Resources Limited
Aditivos Orinoco de Venezuela (Adlnoven) C.A.
Adria-Wien Pipeline Gesellschaft mit beschraenkter Haftung
Advanced Elastomer Systems Brasileira, Ltda.
Advanced Elastomer Systems Hong Kong Limited
Advanced Elastomer Systems Japan Limited
Advanced Elastomer Systems Limited
Advanced Elastomer Systems Marketing Pte. Ltd.
Advanced Elastomer Systems NV/SA
Advanced Elastomer Systems Singapore Pte. Ltd.
Advanced Elastomer Systems, Canada, Inc.
Advanced Elastomer Systems, Inc.
Advanced Elastomer Systems, L.P.
AFSC Management Limited
AFSC Operations Limited
AFSC Refueling Limited
AGES Arbeitsgemeinschaft Gebuehrenentrichtungssystem GmbH & Co. OHG
AGES Arbeitsgemeinschafts-Gebuehrenentrichtungssystem GmbH
AIR TANKDIENST KOELN GbR
Aircraft Fuel Supply B.V.
Al-Jubail Petrochemical Company
Alberta Products Pipe Line Ltd.
Alyeska Pipeline Service Company

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Aramco Services Company
Asakawa Sekiyu K.K.
ASHCO Ltd.
Aviation Fuel Supply Company
Awaji Gas Nenryo Kabushiki Kaisha
Azerbaijan International Operating Company
Azuma Sekiyu K.K.
Bangkok Aviation Fuel Services Public Company Limited
Banshu Ekika Gas K.K.
BEB Erdgas und Erdoel GmbH, Hannover
Berlin Fuelling Services GbR
Bitumes Tunis S.A.
BONDY ESSENCE
Brickwood Holdings Pty. Ltd.
BRIGITTA Erdgas und Erdoel GmbH, Hannover
Cameroon Oil Transportation Company S.A.
Canada Imperial Oil Limited
Canadian Marine Response Management Corporation
Canadian Reserve Oil & Gas Ltd.
Castle Peak Power Company Limited
Cerafilter Systems, Inc.
Cerafilter Systems, L.P.
CeraMem Separations, Inc.
Changi Airport Fuel Hydrant Installation Pte. Ltd.
Changi Into-Plane Services (Pte) Ltd.
Chuo Sekiyu Hanbai K.K.
Compagnie Industrielle des Polyethylenes de Normandie, GIE
Compania Minera Disputada de Las Condes S.A.
Comptoir Auxiliaire du Petrole
Computer Centrum Groningen B.V.
Cynthia Gas Gathering Company Limited
D15 (Groep) B.V.
Daihatsu Sekiyu K.K.

Appendix H

DEMICO S.A.R.L.
Depot Petrolier du Gresivaudan
Depots de Petrole Cotiers
Depots Petroliers de la Corse
Deudan GmbH & Co. KG
DEUDAN GmbH, Kiel
Deudan-Holding GmbH
Deutsche Advanced Elastomer Systems GmbH
Deutsche Erdgas Transport G.m.b.H.
Deutsche Transalpine Oelleitung G.m.b.H.
Devon Estates Limited
Dex Plastomers
Dexco Polymers (General Partnership)
DFTG Deutsche Fluessigerdgas Terminal GmbH
Disma S.r.l.
Dixie Pipeline Company
ESF Limited
Eagle Reinsurance Co. Ltd.
East Asia Response Private Limited
East Texas Salt Water Disposal Company
Eastern Canada Response Corporation Ltd.
EDE China LLC
Eiko Sekiyu K.K.
Elwerath Erdgas und Erdoel GmbH, Hannover
Elwerath-Mobil AG
Emirates National Chemical Company Ltd.
Emori Sekiyu K.K.
Ermsland-Erdoelleitung G.m.b.H.
Energie Dienstleistungs Wuppertal GbR
Energie Dienstleistungs Wuppertal GmbH
Energie Marketing Service GmbH
Energy Chemicals (Malaysia) Sdn. Bhd.
Enterprise Housing Partners 1992 Limited Partnership

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Entrepot Petrolier de Mulhouse (E.P.M.)
EPDMCO, L.P.
Erdgas-Verkaufs-Gesellschaft m.b.H.
Erdgasgemeinschaft GbR
Erdoel-Raffinerie Deurag-Nerag GmbH
Esso (Overseas) Pension Trust Limited
Esso (Thailand) Public Company Limited
Esso Antilles-Guyane, S.A.
Esso Energie G.I.E.
Esso Exploration and Production Angola Inc.
Esso Exploration and Production Ireland Limited
Esso France, S.A.
Esso Lub' Services
Esso Lubrifiants Tunisie S.A.
Esso Malaysia Berhad
Esso Raffinage S.A.F.
Esso Sinochem (Ningbo) Petroleum & Petrochemicals Supply Co. Ltd.
Esso Societe Anonyme Francaise
Esso Standard Tunisie S.A.
Etablissements Cloarec
ETD Tankdienst Gesellschaft Duesseldorf GbR
Exxon Asset Funding Company
Exxon Asset Management Company
Exxon Chemical Asset Management Partnership
Exxon Chemical France
Exxon Chemical Paraffins Limited
Exxon Chemical Polymeres SNC
Exxon Chemical S.A.
Exxon de Colombia S.A.
Exxon Mobile Bay Limited Partnership
F.T. Giken Kabushiki Kaisha
Federated Pipe Lines (Northern) Ltd.

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Federated Pipe Lines (Western) Ltd.
Federated Pipe Lines Ltd.
Ferngas Nordbayem G.m.b.H.
Ferngas Salzgitter GmbH
Fernkaelte Geschaeftsstadt Nord G.b.R.
Fina Antwerp Olefins N.V.
Flughafen Schwechat Hydranten-Gesellschaft
FSF Flughafen Schwechat Flugzeugbetankungs GmbH
Fuji Kogyo K.K.
G16a (Groep) B.V.
Gardermoen Fuelling Services AS
Gasunie Engineering B.V.
Gasunia Warmte/Kracht Emmen B.V.
General Bussan K.K.
General Energy Development K.K.
General Highway K.K.
General Sekiyu K.K.
General Sekiyu Okinawa Hanbai K.K.
General Shipping Co. Ltd.
General Unyu Kabushiki Kaisha
Geogaz Lavera
Georgian Pipeline Company
Gesellschaft fuer Mineraloeiveredlung und Distribution Rhaesa mbH
Gewerkschaft Brassert Erdoel und Erdgas GmbH
Gewerkschaft Gute Hoffnung Erdgas und Erdoel GmbH
Gewerkschaft Kuechenberg Erdgas und Erdoel GmbH
Glen Park Gas Pipe Line Company Limited
Grande Ecaille Land Company, Inc.
Great Lakes Response Corporation of Canada
Groupement d'Exploitation du Depot de Reception de Chennevieres
Groupement Immobilier Petroleir

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Groupement Petrolier Aviation
Groupement Petrolier de la Cote d'Azur
Groupement Petrolier de Nantes (G.P.N.)
Groupement Petrolier de Saint-Pierre des Corps (G.P.S.P.C.)
Groupement Petrolier du Finistere G.I.E.
Groupement Petrolier du Val-de-Marne (G.P.V.M.)
Guam Response Services Ltd.
GVOE Gebinde-Verwertungesellschaft der Mineraloe/wirtschaft MbH
Hambrecht & Quist Environmental Technology
Hamburger Gaswerke GmbH
Hankyu Ferry K.K.
Hankyu Service K.K.
Hannoversche Erdoelleitungs-G.m.b.H.
Hanshin Kyowa Sekiyu K.K.
Heinrich Schneider Spedition GmbH
Hoei Sekiyu K.K.
Hokuyu Sekiyu K.K.
Hong Kong Pumped Storage Development Company, Limited
Hong Kong Response Limited
Houston Regional Monitoring Corporation
Hydranten-Betriebs-Gesellschaft GbR
Imperial Oil (an Ontario General Partnership)
Imperial Oil Limited
Imperial Oil Resources an Alberta limited partnership
Imperial Oil Resources Limited
Imperial Oil Resources N.W.T. Limited
Imperial Oil Resources Ventures Limited
Industria Acqua Siracusana S.p.A.
Industry Promotion Enterprises Limited
Iraq Petroleum Company, Limited
Japan Butyl Company Limited
Japan PolyChem Corporation

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Jersey Nuclear-Avco Isotopes, Inc.
Jinzhou Jinex Lubricant Additives Co., Ltd.
K.K. Momose Shioliri Stand
K.K. Niimi Kirun
K.K. Aizu General
K.K. Auto
K.K. Daimaru
K.K. Eastern Gas Terminal
K.K. General Gas Butsuryu Kanto
K.K. General Sekiyu Hanbaisho
K.K. Genet
K.K. Genetech
K.K. Genex
K.K. Heian Sekiyu
K.K. Kyoei Shosha
K.K. Marutaka Sekiyu
K.K. Momose Sekiyu
K.K. Standard Sekiyu Osaka Hatsubaisho
K.K. Tama General
K.K. Uwano Sekiyu Shokai
K/S Statfjord Transport A/S & Co.
Kabushiki Kaisha Kanki
Kai Tak Refuellers Company Limited
Kansai Chuo Sekiyu K.K.
Kanto Kygnus K.K.
Karlsruhe-Stuttgart Rohrietung Gesellschaft mit beschraenkter
Kawasaki Kyngus Sekiyu Hanbai Kabushiki Kaisha
Keiyo Sekiyu Hanbai K.K.
Kemcor Australia Pty. Ltd.
Kemcor Elastomers Pty. Ltd.
Kemcor Olefins Ltd.
Kemcor Plastics Pty. Ltd.
Kemcor Resins Pty. Ltd.

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Kibo Sekiyu Hanbai K.K.
Kimura Sekiyu Kabushiki Kaisha
Kinwa Sekiyu K.K.
Kobbaby Pty. Ltd.
Kobe Standard Sekiyu K.K.
Korea Perchem Company Limited
Kowa Sekiyu K.K.
Kumho Polychem Co., Ltd.
Kygnus Ekika Gas Kabushiki Kaisha
Kygnus Kosan Kabushiki Kaisha
Kygnus Sekiyu K.K.
Kygnus Sekiyu Seisei Kabushiki Kaisha
Kygnus Trading Kabushiki Kaisha
Kyushu Eagle K.K.
L-Net East K.K.
L-Net West K.K.
L12A (Groep) B.V.
L12B/L15B (Groep) B.V.
L15A (Groep) B.V.
L2 (Groep) B.V.
L4c (Groep) B.V.
L5a (Groep) B.V.
L9a (Groep) B.V.
L9b (Groep) B.V.
Les Dockes des Petroles d'Ambes
Les Emulsions de Feyzin et du Dauphine
Les Emulsion Routieres du Limousin (ERL)
Liants Routiers de Bourgogne (L.R.B.)
Liants Routiers de la Vallee de la Loire (LRVL)
Liants Routiers de la Vallee du Rhin (L.R.V.R.)
Liants Routiers du Gard (L.R.G.)
Lilac Sekiyu Kabushiki Kaisha
Lily Sekiyu K.K.

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Lithcon Petroleum International (Bahamas) Inc.
Longhorn Partners Pipeline, L.P.
Maasvlakte Olie Terminal C.V.
Maasvlakte Olie Terminal N.V.
Magota Sekiyu K.K.
Mainline Pipelines Limited
Malaysian Energy Chemical & Services Sdn Bhd
Manchester Airport Storage and Hydrant Company Limited
Marugo Gas K.K.
McColl-Frontenac Inc.
McColl-Frontenac Petroleum Inc./Petroliere McColl-Frontenac Inc.
MEGAL FINCO
MEGAL GmbH
Meili Sekiyu K.K.
Mineraloelraffinerie Oberrhein GmbH & Co. KG
Mineraloelraffinerie Oberrhein Verwaltungs GmbH
Mitake Unso K.K.
Mittelrheinische Erdgas Transport Gesellschaft mit beschraenkter
Mode Wheel Property Limited
Montreal Pipe Line Limited/Les Pipe-Lines Montreal Limitee
Mount Thorley Coal Loading Limited
Multi Tank Card B.V.
Mytex Polymers (General Partnership)
N.V. Nederlandse Gasunie
Nalco/Exxon Energy Chemicals Argentina S.A.
Nalco/Exxon Energy Chemicals Brasil LTDA
Nalco/Exxon Energy Chemicals Canada, Inc.
Nalco/Exxon Energy Chemicals Colombia S.A.
Nalco/Exxon Energy Chemicals Limited
Nalco/Exxon Energy Chemicals Marketing Ltd.
Nalco/Exxon Energy Chemicals Mexico, S.A. de C.V.

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Nalco/Exxon Energy Chemicals Middle East Holdings, Inc.
Nalco/Exxon Energy Chemicals Venezuela, C.A.
Nalco/Exxon Energy Chemicals, Inc.
Nalco/Exxon Energy Chemicals, L.P.
NAM-K14 B.V.
NAM-K15 B.V.
NAM-K7 B.V.
NAM Pipeline B.V.
NAM-K17 B.V.
NAM/CLOMS-K8/K11 B.V.
NAM/CLOMS–L13 B.V.
NAM/MOBIL M9a B.V.
Nansei Sekiyu Kabushiki Kaisha
Nanseki Kaihatsu K.K.
Near East Development Corporation
Nederlandse Aardolie Maatschappij B.V.
NETRA GmbH
NETRA GmbH Norddeutsche Transversale & Co. KG
New Cure, Inc.
Newcastle Coal Shippers Pty. Limited
Nichiei Kogyo Kabushiki Kaisha
Niedersaechsische Energie Agentur GmbH
Nikko Sangyo K.K.
Ningbo Yanggongshan Petrochemical Wharf Company Ltd.
Nippon Unicar K.K.
Nissei Sekiyu Kabushiki Kaisha
Nogat B.V.
Norddeutsche Erdgas-Aufbereitungs G.m.b.H.
Nordrheinische Erdgas Transport Gesellschaft mit beschraenketer
Noroxo
Northward Developments Ltd.
NPC Services, Inc.

Appendix H

Office Prive d'Assurances et de Courtages
Oil Field Chemicals Company (Saudi Arabia) Ltd.
Oil Spill Holdings Private Limited
Oil Spill Response Limited
Oldenburgische Erodoel Gesellschaft m.b.H.
Osaka General Gas K.K.
Osaka Kygnus K.K.
OSLO Alberta Limited
Oslo Lufthavns Tankaniegg AS
Pacesetter Enterprises Limited
Parts Investment Corporation
Paxon Polymer Company, L.P.II
Plantation Pipe Line Company
Polish Petroleum Development Company, Sp.z.o.o.
Port-Jerome Gaz (P.J. Gaz)
Portland Pipe Line Corporation
Primaeroel GmbH
Prince William Sound Oil Spill Response Corporation
ProGas Limited
Projectbureau W/K B.V.
Q16a (Groep) B.V.
Raffinerie du Midi S.A.R.L.
Rainbow Pipe Line Company, Ltd.
Redwater Water Disposal Company Limited
Refineria Petrolera Acajutla, S.A.
Rexplas Sdn Bhd
Rheingas Erdgasleitungs-Gesellschaft m.b.H.
Rotterdam Antwerpen Pijpleiding (Belgie) N.V.
Rotterdam Antwerpen Pijpleiding C.V.
Rotterdam Antwerpen Pijpleiding (Nederland) N.V.
Rubiatec Sendirian Berhad
Ruhrgas Aktiengesellschaft
S.A. du Pipeline a Produits Petroliers sur Territoire Geneve

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Saba Sociedade Abastecedora de Aeronaves Lda.
Saitama Sekiyu Hanbai K.K.
Sanyo Sekiyu K.K.
Saraco S.A.
Saudi Arabian Lube Additives Company Limited
Schubert KG
SEAG Aktiengesellschaft fuer schweizerisches Erdoel
Senboku Oil Kikoh K.K.
SERAM S.p.A.
Service Aviation Paris (S.A.P.)
Shehtah Drilling Limited
Shimizu LNG K.K.
Shinohara Oil K.K.
Singapore Aromatics Company Private
Smiley Gas Conservation Limited
Sociedad de Inversiones de Aviacion Limitada
Sociedad Nacional de Oleoductos Ltda.
Societa Italiana per l'Oleodotto Transalpino S.p.A.
Societa per Azioni Raffineria Padana Olii Minerali - SARPOM
Societe Anonyme "Produits Lubrifiants de Madagascar" - PROLUMA
Societe Anonyme de Gestion de Stocks de Securite (SAGESS)
Societe Anonyme de la Raffinerie des Antilles
Societe Civile de Mustapha Algerie
Societe Civile de Participation pour la Destruction des Dechets Industriels (SOCDI)
Societe d'Etude et d'Exploitation de la Raffinerie du Tchad
Societe d'Exploitation & de Developpement d'Operations Commerciales
Societe de la Raffinerie d'Alger
Societe de Manutention de Carburants Aviation (S.M.C.A)
Societe de Promotion et de Financement Touristique (CARTHAGO)

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Societe des Pipe-Lines de Strasbourg
Societe des Stockages Petroliers du Rhone
Societe des Transports Petroliers par Pipe Line
Societe du Caoutchouc Butyl (SOCABU)
Societe du Pipe Line de la Raffinerie de Lorraine
Societe du Pipe-Line Mediterranee-Rhone
Societe du Pipeline Sud-Europeen
Societe Esso de Recherches et d'Exploitation Petrolieres Esso
Societe Francaise EXXON CHEMICAL
Societe Groupement des Commercants du Centre Commercial Regional
Societe Havraise de Manutention de Produits Petroliers
Societe Malgache de Raffinage
Societe Paris-Niel
Societe Reunionnaise d'Entreposage
SOGEP S.A. Societe Genevoise des Petroles
Southern Natural Gas Development Pty. Ltd.
Standard Kaihatsu K.K.
Standard Service K.K.
Stansted Fuelling Company Limited
Starfjord Transport A/S
Sucre Gas, S.A.
Sueddeutsche Erdgas Transport Gesellschaft mit beschraenkter
Sun East (Dublin) Company, Ltd.
Syncrude Canada Ltd.
Taichung Petroleum Inc.
Taihei Bussan K.K.
Taisei Kogyo Sekiyu Hanbai K.K.
Taketsuru Yugyo K.K.
Tama General K.K.
Tankanlage A.G., Mellingen
Tanklager Altishausen A.G.
Tanklager Taegerschen AG

Appendix H

Tanklager-Gesellschaft Tegel (TGT) GbR
TANKLAGERGESELLSCHAFT KOELN-BONN GbR
TAR-Tankanlage Ruemlang AG
TBF Tanklager Betriebsfuehrungsgesellschaft m.b.H.
TBG Tanklager-Betriebsgesellschaft mbH
TBN Tanklager-Betriebsgesellschaft Nuernberg mbH
TCA Plastics Inc.
TChad Oil Transportation Company S.A.
TEAM Terminal B.V.
Telasto Folien GmbH
Terminal Petroleier de Bordeaux (T.P.B.)
TGF Tankdienst Gesellschaft Frankfurt GbR
TGM Tankdienst-Gesellschaft Muenchen GbR
Thai Aliphatics Company Limited
Thai C-Center Company Limited
Thai Petroleum Pipeline Co., Ltd.
Thyssengas G.m.b.H.
Tiba Speditions GmbH
Timan Pechora L.L.C
TLS Tanklager Stuttgart GmbH
Tohpren Co., Ltd. (Chemical)
Tojo Gas K.K.
Tokai Chuo Sekiyu K.K.
Toko Sekiyu K.K.
Tonen Chemical Nasu Co., Ltd.
Tonen Energy and Marine (Singapore) Pte. Ltd.
Tonen Energy International Corp.
Tonen Filare Co. Ltd.
Tonen Film Company Limited
Tonen Kabushiki Kaisha
Tonen Kagaku K.K.
Tonen Sogo Service Co., Ltd.
Tonen Tanker Kabushiki Kaisha

Appendix H

Tonen Tapyrus Company Limited
Tonen Technology K.K.
Tonex Company Limited
Towa Compounding Co., Ltd.
Toyoshina Film Company, ltd.
Trans-Northern Pipelines Inc.
Transalpine Oelleitung in Oesterreich Gesellschaft m.b.H.
Tsurumaru Unyu K.K.
Turbo Fuelling Services GbR
UBAG-Unterflurbetankungsanlage Flughafen Zurich
Ulan Coal Mines Limited
United Industry Development Co., Ltd.
Univation Technologies, LLC
Van Salt Water Disposal Company
VEI Limited Partnership
Verbundnetz Gas AG
Westdeutsche Erdoelleitungs-G.m.b.H.
Western Canada Marine Response Corporation
Worex S.N.C.
Yasaka Sekiyu I.K.
Yellowstone Energy Limited Partnership
Yellowstone Pipe Line Company
Yuai Sekiyu K.K.

APPENDIX I — COMPLAINT DATED MARCH 27, 1996

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

C.A. No. *96-160*

THE DOW CHEMICAL COMPANY,

Plaintiff

v.

EXXON CHEMICAL PATENTS, INC.,

Defendant.

COMPLAINT PURSUANT TO 35 U.S.C. § 146

1. This is an action to remedy decisions of the Board of Patent Appeals and Interferences of the United States Patent and Trademark Office ("the PTO") and decisions of the Administrative Patent Judge ("APJ"), as provided by 35 U.S.C. § 146. Jurisdiction is based on 35 U.S.C. § 146, as well as 28 U.S.C. § 1338. Venue is proper in this judicial district under 28 U.S.C. § 1391(b) and (c).

2. Plaintiff, The Dow Chemical Company ("Dow"), is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business in the State of Michigan.

3. On information and belief, defendant, Exxon Chemical Patents, Inc. ("Exxon"), is a corporation organized and existing

under the laws of the State of Delaware, with its principal place of business in the State of Texas.

4. Dow is the legal owner of the entire right, title and interest in and to the invention disclosed and claimed in U.S. Patent No. 5,272,236 issued by the PTO on December 21, 1993 to the inventors Lai et al. ("the Lai et al. patent").

5. JoAnn M. Canich claims to be the inventor of the subject matter disclosed and claimed in U.S. Patent Application Serial No. 08/149,268, filed November 8, 1993 (the "Canich application").

6. According to the records of the PTO at the time of the decisions complained of, the defendant Exxon is the real party in interest in the Canich application.

7. Patent Interference No. 103,404, *Lai et al. v. Canich* ("the Interference") was instituted by the PTO between the Lai et al. patent and the Canich application on June 14, 1994.

8. Pursuant to PTO rules, the parties Lai et al. and Canich each filed various preliminary motions before the APJ who declared the interference. On March 15, 1995, the APJ entered a Decision on Preliminary Motions ruling on the parties' preliminary motions. In this Decision on Preliminary Motions, the APJ entered numerous erroneous rulings which were adverse to Lai et al., and did not consider or refused to consider issues raised by Lai et al. Both parties filed requests for reconsideration of the APJ's Decision. On May 1, 1995, the APJ denied the parties' requests for reconsideration in part and granted them in part. The rulings in the Decision on Preliminary Motions

which were adverse to Lai et al. are in error. Furthermore, the APJ's refusal to consider or failure to consider issues raised by Lai et al. during the preliminary motions is in error.

9. On December 5, 1995, the PTO Board of Patent Appeals and Interferences (the "Board") erroneously entered judgment against the party Lai et al. Lai et al. requested reconsideration of the December 5, 1995 decision. Exxon opposed this request. On February 1, 1996, the Board erroneously denied Lai et al.'s request and adopted Exxon's opposition to the request as its decision on reconsideration. Lai et al. subsequently filed a request for reconsideration of the February 1, 1996 Decision. In an action dated March 6, 1996, the Board erroneously returned Lai et al.'s second request holding that second requests for reconsideration are not proper and noting that the Board had not identified its decision on the first request for reconsideration as a new decision.

10. Dow is dissatisfied with the Board's decisions of December 5, 1995, February 1, 1996 and March 6, 1996 which erroneously entered judgment against Lai et al. More specifically, Dow is dissatisfied with the rulings of the Board that were adverse to Lai et al. and with the Board's failure to decide or refusal to consider issues which were raised before the Board by Lai et al.

11. Dow is also dissatisfied with the APJ's decisions of March 15, 1995 and May 1, 1995. More specifically, Dow is dissatisfied with the rulings of the APJ that were adverse to Lai et al. and with the APJ's failure to decide or refusal to consider issues which were raised before the APJ by Lai et al.

WHEREFORE, plaintiff Dow prays that the Court:

A. Vacate the Board's judgment against Lai et al. dated December 5, 1995;

B. Vacate the Board's decisions of February 1, 1996 and March 6, 1996;

C. Reverse the rulings of the APJ adverse to Lai et al. in his March 15, 1995 Decision on Preliminary Motions and in his May 1, 1995 decision, and enter judgment in favor of Dow on the issues raised by Lai et al.;

D. Enter judgment for Dow and against Exxon; and

E. Grant any other and further relief as may be equitable and/or appropriate.

MORRIS, NICHOLS, ARSHT & TUNNELL

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March 27, 1996

APPENDIX J — DISTRICT COURT DOCKET SHEET (EXCERPTS)

[1] Proceedings include all events.
1:96cv160 Dow Chemical Company v. Exxon Chem. Patents

APPEAL CLOSED

U.S. District Court
U.S. District Court of Delaware (Wilmington)

CIVIL DOCKET FOR CASE #: 96-CV-160

Dow Chemical Company v. Exxon Chem. Patents — Filed: 03/27/96
Assigned to: Judge Sue L. Robinson
Demand: $0,000 — Nature of Suit: 830
Lead Docket: None — Jurisdiction: Federal Question
Dkt# in other court: None

Cause: 28:1338 Patent Infringement

DOW CHEMICAL COMPANY
plaintiff

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Appendix J

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* * *

[5] Proceedings include all events.

1:96cv160		Dow Chemical Company v. Exxon Chem. Patents APPEAL CLOSED
1/26/98	34	Letter dated 1/26/98 from Frederick Cottrell, Esq. to Judge Robinson; RE: agenda for hearing on pending cross-motion for summary judgment (lf) [Entry date 01/29/98]
1/27/98	--	Motion hearing re: [23-1] motion for Summary Judgment, [18-1] motion for Summary Judgment, Robinson, J., sitting; Rptr: B. Gaffigan (1f) [Entry date 01/29/98]
1/28/98	35	Steno Notes for 1/27/98, Rptr: B. Gaffigan (1f) [Entry date 01/29/98]

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1/29/98	--	So Ordered granting [33-1] motion for Marta Gross, Esq. to appear Pro Hac Vice, granting [32-1] motion for Keith Zullow, Esq. to Appear Pro Hac Vice (signed by Judge Sue L. Robinson) Notice to all parties. (lf) [Entry date 01/30/98]
1/29/98	36	TRANSCRIPT filed [0-0] motion hearing for dates of 1/27/98; Rptr: B. Gaffigan (lf) [Entry date 01/30/98]
2/20/98	37	Letter dated 2/20/98 from Donald Parsons, Jr. Esq. to Judge Robinson; Re: supplying court with recent Federal Circuit decision in Schulze v. Green (lf) [Entry date 02/25/98]
3/2/98	38	Letter dated 3/2/98 from Frederick Cottrell, Esq. to Judge Robinson; Re: response to Dow's 2/20/98 letter to the court (lf) [Entry date 03/10/98]
3/24/98	39	MEMORANDUM OPINION (signed by Judge Sue L. Robinson) copies to: cnsl (lf) [Entry date 03/25/98]
3/24/98	40	ORDER granting [23-1] motion for Summary Judgment, denying [18-1] motion for Summary Judgment, case is remanded for the board of patent appeals and interferences to set a fixed period of time for Dow Chemical company to comply with the requirements (signed by Judge Sue L. Robinson) copies to: cnsl (lf) [Entry date 03/25/98]

Appendix J

3/24/98	--	Case closed (lf) [Entry date 04/15/98]
4/22/98	41	Letter dated 4/22/98 from Frederick Cottrell, III, Esq. to Clerk; Re: filing notice of appeal (lf) [Entry date 04/23/98]
4/22/98	42	NOTICE OF APPEAL by Exxon Chem. Patents [40-1] order, [39-1] order . Time: 12:46pm Fee Status: paid (lf) [Entry date 04/23/98]
4/23/98	--	Notice of appeal and certified copy of docket to USCA for the Federal Circuit: [42-1] appeal by Exxon Chem. Patents (db)

* * * *

Supreme Court, U.S.
FILED
DEC 29 1998
OFFICE OF THE CLERK

No. 98-753

IN THE
Supreme Court of the United States
OCTOBER TERM, 1998

EXXON CHEMICAL PATENTS, INC.,

Petitioner,

v.

THE DOW CHEMICAL COMPANY,

Respondent.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

BRIEF IN OPPOSITION

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December 29, 1998

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RULE 29.6 STATEMENT

Pursuant to Rule 29.6, The Dow Chemical Company hereby states that it has no parent corporation and one nonwholly owned subsidiary that is publicly traded, Astropower, Inc.

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1998

EXXON CHEMICAL PATENTS, INC.,

Petitioner,

v.

THE DOW CHEMICAL COMPANY,

Respondent.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

---

BRIEF IN OPPOSITION

As this Court has recognized, sometimes district court orders remanding a case to an administrative agency are immediately appealable, and sometimes they are not. *See, e.g., Sullivan v. Finkelstein*, 496 U.S. 617, 623 (1990). To determine whether a particular remand order is appealable, courts look to well-established factors, including (1) whether the relevant statutory scheme authorizes appellate review in that procedural posture, and (2) whether the case involves an important legal issue that might be effectively unreviewable after remand. Courts apply these factors in light of the general principle that piecemeal appeals are not favored, and that the preferable option is to have the entire case on appeal upon the conclusion of all proceedings below. *See, e.g., Firestone Tire & Rubber Co. v. Risjord*, 449 U.S. 368, 373-74 (1981).

The petition for *certiorari* here involves nothing more than the application of these settled legal principles to routine facts. Doing so below, the Federal Circuit concluded that Exxon's

appeal was premature in light of the particular facts and circumstances of this case. Exxon's herculean efforts to conjure up a legal conflict between that decision and decisions of this Court and other courts are futile. Accordingly, the petition should be denied.

COUNTERSTATEMENT OF THE CASE

The dispute underlying this appeal is an interference proceeding between Exxon and Dow involving the patents for a new class of polyethylene polymers. *See* Pet. App. 10a. In December 1995, the Board of Patent Appeals and Interferences of the United States Patent and Trademark Office entered judgment against Dow on the basis of a new procedural rule, 37 C.F.R. § 1.662(b). *See id.* at 30a-32a.

Dow then filed this action to review the Board's decision pursuant to 35 U.S.C. § 146. *See* Pet. App. 56a-60a. The District Court (Robinson, J., D. Del.) entered summary judgment in Dow's favor, holding that the Board had erred by relying on its new procedural rule without first notifying the parties. *See id.* at 26a-27a. The District Court accordingly vacated the Board's judgment and remanded the case for further proceedings. *See id.* at 28a-29a.

Exxon appealed to the Federal Circuit pursuant to 28 U.S.C. § 1295(a)(4)(C). Before responding to the merits of the appeal, Dow moved to dismiss for lack of appellate jurisdiction. After full briefing on the jurisdictional issue, the Federal Circuit (in an unpublished opinion) granted the motion. *See* Pet. App. 1a-5a.

The Federal Circuit began by reciting the general rule that an order or decision is final and appealable "if it 'ends the litigation on the merits and leaves nothing for the court to do but execute judgment.'" Pet. App. 2a (quoting *Firestone,* 449 U.S. at 373). The Court then noted that an order remanding a case to an administrative agency may be final and appealable under certain circumstances. Thus, the Court noted, a remand order is obviously appealable where a "specific statute" so

provides. Pet. App. 4a. In addition, the Court observed, an order may be appealable if it resolves "an important issue that may be effectively unreviewable at a later stage in the proceedings." *Id.* at 3a (citing, *inter alia, Finkelstein*, 496 U.S. at 625).

Applying these considerations, the Federal Circuit determined that the remand order at issue here was not ripe for appeal. The Court emphasized that (in contrast to other administrative schemes) "no specific statute" authorized appeals of remand orders in patent interference cases. Pet. App. 3a-4a. The Court also pointed out that all the issues in this case could be "reviewed, if necessary, following remand." *Id.* at 5a. Finally, the Court rejected Exxon's alternative argument that the remand order (even if not immediately appealable as of right) should be reviewed by writ of mandamus. *See id.*

Exxon subsequently filed a motion for reconsideration and a suggestion for reconsideration *in banc*, which were denied on August 13, 1998, and August 25, 1998, respectively. *See* Pet. App. 37a-40a.

REASONS FOR DENYING THE WRIT

As the Federal Circuit correctly recognized, the appealability of remand orders is intensely context-specific. Under the particular circumstances of this case, Exxon failed to identify any factual or legal considerations to overcome the traditional presumption against piecemeal appeals.

Exxon challenges each of two factors cited by the Federal Circuit in support of its conclusion that the remand order here was not immediately appealable. *First,* Exxon asserts that the Federal Circuit's consideration of whether the legal issues could be reviewed in a post-remand appeal is "squarely contradicted" by this Court's decision last Term in *Forney v. Apfel*, 118 S. Ct. 1984 (1998). Pet. 3, 7. *Second,* Exxon argues that the decision below creates a circuit conflict on whether a

remand order is appealable in the absence of a "specific statute" authorizing an appeal. *Id.* at 8-11.

Exxon is wrong on both counts.

I. THE DECISION BELOW IS ENTIRELY CONSISTENT WITH *FORNEY*.

Exxon's opening salvo—that the decision below is "squarely contradicted" by *Forney*—falls far wide of the mark. The issue in *Forney* was whether the Ninth Circuit had erred in holding a remand order unappealable in the Social Security disability context. The *Forney* Court began by emphasizing that the relevant text of the Social Security Act "means what it says, namely, that a district court order remanding a Social Security disability benefit claim to the agency for further proceedings is a 'final judgment' for purposes of [28 U.S.C.] § 1291 and it is, therefore, appealable." 118 S. Ct. at 1986-87 (citing *Finkelstein*, 496 U.S. 617).

The *Forney* Court went on to consider whether *Finkelstein* was nonetheless inapposite to that case. The Court noted some distinctions between the two cases, including the fact that (1) the Government was the appellant in *Finkelstein*, and (2) the possibility that post-remand appellate review might have been impossible in *Finkelstein*. *See* 118 S. Ct. at 1987. The Court, however, concluded that these distinctions were "irrelevant" in light of the express language of the Social Security Act. *Id.* The Court specifically rejected the notion that *Finkelstein* applied only in cases where the Government was the appellant or post-remand appellate review might be impossible. *Id.*

Nothing in *Forney* remotely contradicts the Federal Circuit's decision in this case. Contrary to Exxon's suggestion, *Forney* did not hold that the availability (or lack of availability) of post-remand appellate review is *never* relevant in evaluating the appealability of a remand order. Rather, the *Forney* Court simply noted that, in the Social Security disability context, the appealability of remand orders is not *limited* to situations where an important legal issue might escape review after

remand. *Forney* in no way suggests that all remand orders in all contexts are immediately appealable even where (as here) all issues can be resolved in a single post-remand appeal.

Moreover, Exxon's request for this Court to grant the petition, vacate the judgment, and remand to the Federal Circuit in light of *Forney* is untenable on equitable as well as substantive grounds. This Court issued its decision in *Forney* over three weeks *before* the Federal Circuit issued its decision in this case. Accordingly, there was ample time for Exxon—surely a sophisticated litigant with able counsel—to bring that decision to the Federal Circuit's attention. Exxon not only failed to do so, but also failed to mention *Forney* in its subsequent motion for reconsideration and suggestion for reconsideration *in banc*. This Court should not exercise its extraordinary "GVR" power to grant Exxon another opportunity to cite a case it could have cited previously in the Federal Circuit, and which in any event has no bearing here. *Cf. Lawrence v. Chater*, 516 U.S. 163, 173 (1996) (*per curiam*) (emphasizing that GVR power "should be exercised sparingly").

II. THE DECISION BELOW IS ENTIRELY CONSISTENT WITH DECISIONS FROM OTHER COURTS OF APPEALS.

Exxon's attempt to conjure up a conflict among the circuits rests on the fanciful proposition that the Federal Circuit held below that remand orders are never appealable unless "the statute conferring district court jurisdiction expressly provides for appealability" of such orders. Pet. 8-9; *see also id.* at i (alleging circuit conflict on appealability of remand order "when, as here, the statute conferring jurisdiction on the district court does not expressly provide for appealability"). Because the Federal Circuit held nothing of the kind, the conflict alleged is wholly illusory.

The Federal Circuit simply made the obvious point that a remand order may be appealable if a "specific statute" so provides, even if the order otherwise would not have been

appealable under general finality principles. Pet. App. 4a. The Social Security cases (like *Forney* and *Finkelstein*) fall into this category, as the appealability of Social Security remand orders is specifically addressed in the relevant statute. *See Forney*, 118 S. Ct. at 1986-87; *Finkelstein*, 496 U.S. at 625. As the Federal Circuit noted (and Exxon concedes), no "specific statute" governs appealability in this case. Accordingly, resort to general finality principles here is necessary and appropriate. The Federal Circuit in no way held or suggested that the remand order in this case was *per se* unappealable because not specifically authorized by statute. Indeed, Exxon's interpretation of the decision below makes no sense, as there would have been no reason for the Federal Circuit to address general finality principles (such as the unreviewability point discussed above) if the absence of specific statutory authorization were dispositive. The circuit conflict alleged by Exxon, in short, does not exist.

CONCLUSION

For the foregoing reasons, the petition for a writ of *certiorari* should be denied.

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Supreme Court, U.S.
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JAN 8 1999
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No. 98-753

IN THE

Supreme Court of the United States

OCTOBER TERM, 1998

EXXON CHEMICAL PATENTS, INC.,

Petitioner,

vs.

THE DOW CHEMICAL COMPANY,

Respondent.

ON PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

REPLY BRIEF FOR PETITIONER

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INTRODUCTION

Dow's opposition, like the Federal Circuit's order of dismissal, confuses finality in the district court with finality in the administrative agency. *Richmond v. Chater*, 94 F.3d 263, 268-69 (7th Cir. 1996) (Posner, C.J.), a case which Dow elects not to address, explains why a remand order which terminates proceedings in a district court is final and hence appealable under the final judgment rule — irrespective of whether or not the remand order terminates proceedings in the administrative agency. Pet. 10-11.

QUESTION 1

Dow's opposition says that there is no conflict between the Federal Court's order of dismissal here and this Court's decision in *Forney v. Apfel*, __ U.S. __, 118 S. Ct. 1984 (1998). A side-by-side comparison of the two decisions shows that this is not so:

The Federal Circuit	*This Court*
We have held that when a trial court remands to an administrative agency for additional proceedings, the remand order is not appealable as a final order, "even though the order resolves an important legal issue." An exception to that rule exists when the remand order disposes of an important legal issue that would be effectively unreviewable at a later stage in the proceedings. (Pet. App. 3a) (citations omitted).	Nor does the [*Sullivan v. Finkelstein*, 496 U.S. 617 (1990)] opinion's reasoning permit an inference that "finality" turns on the order's importance, or the availability (or lack of availability) of an avenue for appeal from the different, later agency determination that might emerge after remand. (*Forney*, __ U.S. at __, 118 S. Ct. at 1987).

QUESTION 2

In order to defuse the conflict between the Federal Circuit and three other Circuits, Dow disavows the arguments it made, and the Federal Circuit adopted, on its motion to dismiss Exxon's appeal:

• In its opposition, Dow says, "[*S*]*ometimes* district court orders remanding a case to an administrative agency are immediately appealable, and *sometimes* they are not." Opp. 1 (emphasis added). But in the Federal Circuit, there was no "sometimes." In the Federal Circuit, Dow said categorically that Exxon's appeal to that court "is precluded by . . . [the Federal Circuit's] *bright-line rule* that district court orders remanding cases to administrative agencies are not final and therefore not appealable." Pet. 4-5 (quoting Dow's motion to dismiss, p. 1) (emphasis added).

• In its opposition, Dow says, "The Federal Circuit in no way held or suggested that the remand order in this case was *per se* unappealable because not specifically authorized by statute." Opp. 6 (emphasis in original). But in the Federal Circuit, Dow urged the *per se* rule which it now says that the Federal Circuit rejected:

> This Court [the Federal Circuit] in *Cabot* [*Corp. v. United States*, 788 F.2d 1539 (Fed. Cir. 1986),] pointed out two narrow exceptions to *the rule against hearing appeals* from a lower court order remanding a case to an administrative agency . . . .
>
> The first type of exception is the statutory exception. . . . [*T*]*here is clearly no statutory exception involved here.* (Dow's motion to dismiss, pp. 6-7) (emphasis added).

The Federal Circuit adopted Dow's argument. In granting Dow's motion to dismiss, the court endorsed Dow's bright-line/ *per se* rule. Pet. App. 4a. In granting the motion, it pointed to the absence of a specific statutory exception which, in its view, would be necessary to overcome the application of that rule here:

> Here, there is no specific statute indicating that the district court's remand order is appealable. Pet. App. 4a.

The Federal Circuit's decision is mistaken (*supra*, p. 1). It conflicts with decisions of the Third, Seventh and Tenth Circuits. Pet. 8-11.

CONCLUSION

The conflicts are real.

Dow's opposition points to two "factors" that might justify the Federal Circuit's order dismissing Exxon's appeal. Opp. 1. One (the possibility of later appellate review) has been rejected by this Court. Pet. 5-7. The other (no specific statute) has been rejected by the Third, Seventh and Tenth Circuits. Pet. 8-11.

The petition should be granted.

Respectfully submitted,

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